

OCCC CASE NO. L25-027

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 2200071468	§	OFFICE OF CONSUMER
RGLS LENDING, INC.	§	
9300 UNITED DR., SUITE. 180	§	CREDIT COMMISSIONER
AUSTIN, TEXAS 78758	§	
	§	STATE OF TEXAS

ORDER DISAPPROVING PLAIN LANGUAGE CONTRACT SUBMISSION

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order Disapproving Plain Language Contract Submission against RGLS Lending, Inc. (“RGLS Lending”).¹

Statement of Facts and Law

Chapter 341 of the Texas Finance Code requires loan contracts entered under Chapter 342 of the Texas Finance Code to be written in plain language designed to be easily understood by the average consumer.² A creditor must use either a model contract adopted by rule of the Finance Commission of Texas or a contract that the creditor has submitted to the OCCC for plain language review.³ Non-standard contracts submitted to the OCCC must be printed in an easily readable type size, must be consistent with Texas and federal law, must include a notice with the OCCC’s contact information, and must meet a maximum Flesch-Kincaid grade level score.⁴ For contracts submitted under Chapter 342, Subchapter E, the maximum Flesch-Kincaid score is grade 9.⁵

First, RGLS Lending submitted a loan contract to the OCCC for plain language review in August 2022. The submission form reflects that the form number for the submission is HC-4892-4612-3274, and that the loan contract is intended to be used under Chapter 342, Subchapter E of the Texas Finance Code. RGLS Lending stated on its submission form that the Flesch-Kincaid grade level score for the submission

¹ Tex. Fin. Code §§ 14.208, 341.502.

² Tex. Fin. Code § 341.502(a).

³ Tex. Fin. Code § 341.502(b)-(c).

⁴ 7 Tex. Admin. Code § 90.104(a)(1)-(5).

⁵ 7 Tex. Admin. Code § 90.104(c)(4)(B).

is grade 9. An OCCC examiner reviewed the submission and found that the Flesch-Kincaid grade level score is 9.1.

Second, RGLS Lending submitted another loan contract with form number 10.12.2022 to the OCCC for plain language review in November 2022. RGLS Lending stated on its submission form that the Flesch-Kincaid grade level score for the submission is grade 9. An OCCC examiner reviewed the submission and found that the Flesch-Kincaid grade level score is 9.3.

In July 2024, the OCCC sent letters to RGLS Lending describing this issue for both contracts. RGLS Lending then submitted a third loan contract with form number 07.23.2024 to the OCCC for plain language review. RGLS Lending stated on its submission form that the Flesch-Kincaid grade level score for the submission is grade 7.9. An OCCC examiner reviewed the submission and found that the Flesch-Kincaid grade level score is 9.3.

The loan contracts submitted by RGLS Lending do not have a Flesch-Kincaid grade level score of 9 or below as required for contracts used under Chapter 342, Subchapter E of the Texas Finance Code. Therefore, RGLS Lending's loan contracts are not written in plain language designed to be easily understood by the average consumer, and does not comply with Section 341.502 of the Texas Finance Code and its implementing rules.

Authority

If the Commissioner determines that a plain language contract does not comply with Section 341.502 of the Texas Finance Code or its implementing rules, then the Commissioner shall issue an order disapproving the contract.⁶ If the Commissioner issues an order disapproving a contract, a person may not use the contract after the order takes effect.⁷

The Commissioner has determined that the contract submitted by RGLS Lending does not comply with Section 341.502 of the Texas Finance Code and its implementing rules. For this reason, the Commissioner issues this Order.

⁶ Tex. Fin. Code § 341.502(c).

⁷ Tex. Fin. Code § 341.502(d).

Order

IT IS ORDERED that:

1. The plain language loan contracts submitted by RGLS Lending, form numbers HC-4892-4612-3274, 10.12.2022, and 07.23.2024 are DISAPPROVED.
2. RGLS Lending must cease and desist using the loan contracts with form numbers HC-4892-4612-3274, 10.12.2022, and 07.23.2024.
3. **No later than 30 days after the date of this Order**, RGLS Lending must provide the OCCC with a written statement acknowledging that RGLS Lending has ceased and desisted using the versions of form numbers HC-4892-4612-3274, 10.12.2022, and 07.23.2024 that were submitted to the OCCC. RGLS Lending must send the written statement by email to Audrey Spalding at audrey.spalding@occc.texas.gov.

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.⁸

Right to Request Hearing

You have the right to request a hearing regarding this Order.⁹ To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order.¹⁰ You must send your request to Audrey Spalding, Assistant General Counsel, by mail to 2601 N. Lamar Blvd., Austin, TX 78705, or by email to audrey.spalding@occc.texas.gov.

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹¹ If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.¹²

⁸ Tex. Fin. Code § 14.208(c).

⁹ Tex. Fin. Code § 14.208(b).

¹⁰ Tex. Fin. Code § 14.208(b).

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(c).

All communications with the OCCC concerning this matter must be through Audrey Spalding, Assistant General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, TX 78705, by telephone at 512-936-7659, or by email to audrey.spalding@occc.texas.gov.

Signed this 18th day of December, 2024.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

CERTIFICATE OF SERVICE

I certify that on December 18, 2024, a true and correct copy of this Order Disapproving Plain Language Contract Submission has been sent to RGLS Lending, Inc. by the following:

RGLS Lending, Inc.
Attn: Tracy Armstrong,
Compliance Officer & Plain Language
Contact Person
9300 United Dr., Suite 180
Austin, TX 78758
tarmstrong@rategenius.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0092 0665 01

RGLS Lending, Inc.
Attn: Cogency Global Inc.,
Registered Agent
1601 Elm Street, Suite 4360
Dallas, TX 75201
staterep@cocencyglobal.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0092 0665 18

/s/Audrey Spalding
Audrey Spalding
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Office of Consumer Credit Commissioner
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