

OCCC CASE NO. L25-028

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 2200072968	§	OFFICE OF CONSUMER
FLEX REVOLUTION LLC	§	
d/b/a LIBERTY TAX AND LOAN	§	CREDIT COMMISSIONER
901 W. YAMATO, SUITE 260	§	
BOCA RATON, FLORIDA 33431	§	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 Flex Revolution LLC d/b/a Liberty Tax and Loan (“Liberty Tax and Loan”).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 F, the maximum Flesch-Kincaid score is grade 8.⁵

In November 2022, Liberty Tax and Loan submitted a loan contract to the OCCC for plain language review. The submission form reflects that the form number for the submission is TX_TX_SCF_Ch342F, and that the loan contract is intended to be used under Chapter 342, Subchapter F of the Texas Finance Code. The loan contract reflects form number 34220. Liberty Tax and Loan stated on its

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)(A).

submission form that the Flesch-Kincaid grade level score for the submission is grade 7.2. An OCCC examiner reviewed the submission and found that the Flesch-Kincaid grade level score is 8.5.

In May 2023, Liberty Tax and Loan submitted a second loan contract to the OCCC for plain language review. The loan contract reflects that the form number for the submission is v.05.04.23. Liberty Tax and Loan states on its submission form that the loan contract is intended to be used under Chapter 342, Subchapter F of the Texas Finance Code, and that the Flesch-Kincaid grade level score for the submission is grade 7.5. An OCCC examiner reviewed the submission and found that the Flesch-Kincaid grade level score is 9.

In July 2024, the OCCC sent a letter to Liberty Tax and Loan describing this issue for both loan contracts submitted to the OCCC. Liberty Tax and Loan did not respond to the OCCC's letter.

The loan contracts submitted by Liberty Tax and Loan do not have a Flesch-Kincaid grade level score of 8 or below as required for contracts used under Chapter 342, Subchapter F of the Texas Finance Code. Therefore, Liberty Tax and Loan's loan contract is 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 Liberty Tax and Loan 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 Liberty Tax and Loan, form number 34220 and form number v.05.04.23, are DISAPPROVED.
2. Liberty Tax and Loan must cease and desist using the loan contracts with form number 34220 and form number v.05.04.23.
3. **No later than 30 days after the date of this Order**, Liberty Tax and Loan must provide the OCCC with a written statement acknowledging that Liberty Tax and Loan has ceased and desisted using the versions of form number 34220 and form number v.05.04.23 that were submitted to the OCCC. Liberty Tax and Loan 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

All communications with the OCCC concerning this matter must be through Audrey Spalding, Assistant General Counsel, who may be contacted by mail at

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).

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 Flex Revolution LLC d/b/a Liberty Tax and Loans by the following:

Flex Revolution LLC
Attn: Jessica Daza,
Compliance Officer
901 W. Yamato, Suite 260
Boca Raton, FL 33431
jessica.daza@flexshopper.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0092 0665 25

Flex Revolution LLC
Attn: Michael Durlacher, Plain Language
Contact Person
901 W. Yamato, Suite 260
Boca Raton, FL 33431
michael.durlacher@flexshopper.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0092 0948 87

Flex Revolution LLC
Attn: Corporate Service Company,
Registered Agent
211 E. 7th Street, Suite 620
Austin, TX 78701
cscblservices@scscglobal.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0092 0665 32

/s/ Audrey Spalding _____
Audrey Spalding
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