

OCCC CASE NO. L25-080

|                                  |   |                     |
|----------------------------------|---|---------------------|
| IN THE MATTER OF:                | § | BEFORE THE          |
|                                  | § |                     |
| TERRACE FINANCE CORP.            | § | OFFICE OF CONSUMER  |
| 2580 ANTHEM VILLAGE DR., SUITE B | § |                     |
| HENDERSON, NEVADA 89052          | § | CREDIT COMMISSIONER |
|                                  | § |                     |
|                                  | § | STATE OF TEXAS      |

**ORDER TO FURNISH INFORMATION AND ALLOW INVESTIGATION**

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Furnish Information and Allow Investigation against Terrace Finance Corp. (“Terrace Finance”) based on the violations of law described below.<sup>1</sup>

**Statement of Facts and Law**

Under Chapter 342 of the Texas Finance Code, a person must hold a regulated lender license issued by the OCCC in order to make, transact, or negotiate consumer loans at interest rates greater than 10% per year.<sup>2</sup> Under Chapter 342’s implementing rules, negotiating a loan includes providing a borrower’s information to a lender if this is part of the process of reaching agreement on the terms of a loan.<sup>3</sup> If the OCCC receives reasonable cause to believe that a person is violating Chapter 342, then the OCCC may require the person to furnish information, and may conduct an investigation to discover a violation or obtain required information.<sup>4</sup>

Terrace Finance does not hold a license with the OCCC. Terrace Finance is located at 2580 Anthem Village Drive, Suite B, Henderson, Nevada 89052.

In October 2023, the OCCC conducted a compliance examination of a Texas pawnshop licensed by the OCCC. During the examination, the OCCC found that the pawnshop had a relationship with Terrace Finance, under which the

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<sup>1</sup> Tex. Fin. Code § 14.208.

<sup>2</sup> Tex. Fin. Code §§ 342.005, 342.051.

<sup>3</sup> 7 Tex. Admin. Code § 83.102(16).

<sup>4</sup> Tex. Fin. Code §§ 14.202, 342.553(a).

pawnshop would direct consumers to obtain financing to purchase goods through Terrace Finance's online platform.

Terrace Finance's website describes the company as a "shared lender platform serving a broad spectrum of applicants."<sup>5</sup> Terrace Finance takes a consumer's credit application and routes the application to lenders in Terrace Finance's provider network.<sup>6</sup> During the application process, Terrace Finance pulls the consumer's credit report through a "soft inquiry."<sup>7</sup>

In February 2025, the OCCC attempted to investigate Terrace Finance, in order to determine whether the company was operating as a regulated lender without a license. On February 4, 2025, the OCCC sent a request for information to Terrace Finance, instructing the company to provide the following:

- a detailed explanation of how Terrace Finance assists Texas consumers with obtaining personal loans from lenders;
- a detailed explanation of how Terrace Finance processes and submits loan applications on behalf of Texas consumers to lenders;
- a detailed explanation of whether Terrace Finance assists Texas consumers with obtaining loans with an interest rate greater than 10% per annum;
- a detailed explanation of why Terrace Finance believes it may be exempt from the licensing requirement described in Texas Finance Code Section 342.051;
- a full list of lenders that Terrace Finance works with to assist Texas consumers in obtaining personal loans; and
- a spreadsheet listing all loan transactions from February 4, 2023 to February 4, 2025 with an interest rate greater than 10% per annum where Terrace Finance submitted an application on behalf of a Texas consumer to a prospective lenders, including the date of the loan, the total amount of the loan, the interest rate, and the name of the lender.

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<sup>5</sup> Terrace Finance, Lenders, <https://terracefinance.com/lenders/> (accessed July 24, 2025).

<sup>6</sup> Terrace Finance, Easy Consumer Financing and Leasing, <https://terracefinance.com/consumer/> (accessed July 24, 2025).

<sup>7</sup> Terrace Finance, Credit Pull Policy, <https://terracefinance.com/credit-pull-policy/> (accessed July 24, 2025).

Terrace Finance did not respond to the request for information. The OCCC attempted phone calls to Terrace Finance and sent the request for information a second time by mail. The OCCC was unable to reach Terrace Finance, and Terrace Finance did not answer the OCCC's request for information.

### **Authority**

If the Consumer Credit Commissioner ("Commissioner") has reasonable cause to believe that a person is violating Chapter 342 of the Texas Finance Code, the Commissioner may issue an order to cease and desist from the violation, to take affirmative action, or both to ensure compliance.<sup>8</sup>

The Commissioner has reasonable cause to believe that Terrace Finance has violated Chapters 14 and 342 of the Texas Finance Code by failing to respond to the OCCC's requests for information, and by failing to allow the OCCC to conduct an investigation of Terrace Finance's records and transactions.

### **Order**

IT IS ORDERED that:

1. Terrace Finance must cease and desist failing to respond to the OCCC's requests for information.
2. Terrace Finance must cease and desist failing to allow the OCCC to investigate its records and transactions.
3. **No later than 30 days after the date of this Order**, Terrace Finance must provide the OCCC with all information listed in the OCCC's request for information sent on February 4, 2025. The information must be sent by email to Audrey Spalding at [audrey.spalding@occc.texas.gov](mailto: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.<sup>9</sup>

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<sup>8</sup> Tex. Fin. Code § 14.208(a).

<sup>9</sup> Tex. Fin. Code § 14.208(c).

## Right to Request Hearing

You have the right to request a hearing regarding this Order.<sup>10</sup> 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.<sup>11</sup> 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](mailto: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.<sup>12</sup> If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.<sup>13</sup>

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](mailto:audrey.spalding@occc.texas.gov).

Signed this 7th day of August, 2025.

/s/Leslie Pettijohn

Leslie L. Pettijohn  
Consumer Credit Commissioner  
State of Texas

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<sup>10</sup> Tex. Fin. Code § 14.208(b).

<sup>11</sup> Tex. Fin. Code § 14.208(b).

<sup>12</sup> Tex. Fin. Code § 14.208(b).

<sup>13</sup> Tex. Fin. Code § 14.208(c).

## CERTIFICATE OF SERVICE

I certify that on August 7, 2025, a true and correct copy of this Order to Furnish Information and Allow Investigation has been sent to Terrace Finance Corp. by the following:

Terrace Finance Corp.  
Attn: James Hopkins, President  
2580 Anthem Village Dr., Suite B  
Henderson, NV 89052  
info@terracefinance.com

- ☒ email
- ☐ eFileTexas.gov electronic service
- ☒ regular mail
- ☒ certified mail, return receipt requested  
#9214 8901 9403 8300 0026 7715 18

Terrace Finance Corp.  
Attn: Rice Reuther Sullivan & Carroll,  
LLP, Registered Agent  
3800 Howard Hughes Pkwy., Ste. 1200  
Las Vegas, NV 89169

- ☐ email
- ☐ eFileTexas.gov electronic service
- ☒ regular mail
- ☒ certified mail, return receipt requested  
#9214 8901 9403 8300 0026 7717 92

/s/ Audrey Spalding  
Audrey Spalding  
Assistant General Counsel  
Office of Consumer Credit Commissioner  
State Bar No. 24111055  
2601 North Lamar Blvd.  
Austin, Texas 78705  
512-936-7659 (phone)  
audrey.spalding@occc.texas.gov