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Property Tax Lender Bulletin

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The Office of Consumer Credit Commissioner (OCCC) has received information that some companies may have accepted assignment of property tax loans, even though they are not licensed as property tax lenders under Chapter 351 of the Texas Finance Code. A company must hold a property tax lender license with the OCCC in order for a property tax loan to be transferred, assigned, or sold to the company.

Section 351.051(a) of the Texas Finance Code provides:

“A person must hold a license under this chapter to:

- (1) engage in the business of making, transacting, or negotiating property tax loans; or
- (2) contract for, charge, or receive, directly or indirectly, in connection with a property tax loan subject to this chapter, a charge, including interest, compensation, consideration, or another expense, authorized under this chapter or Chapter 32, Tax Code.”

This means that a person or company may not accept any charges in connection with a property tax loan unless the person holds a property tax lender license with the OCCC. The licensing requirement applies to any company or person that takes assignment of a property tax loan and continues collecting on the loan after the assignment.