



CREDIT ACCESS BUSINESS ADMINSTRATIVE ACTION REPORT

September 1, 2017 – August 31, 2018

Overview

The OCCC has approximately 1,932 credit access business licensees. During FY 2018, the OCCC issued 30 orders for credit access business related violations. The most common violation in this industry was failing to timely and accurately file quarterly and annual reports. Of the 30 orders issued in FY 2018, 29 were for untimely or inaccurate reports, and one addressed multiple violations including execution of incomplete contract, providing inadequate disclosure forms, failure to post fee schedules, and failure to provide consumers with transaction information.

This report summarizes the statutes and rules that apply to the most common credit access business violations. The report also describes the typical enforcement action taken by the OCCC to address each type of violation.

Untimely or Inaccurate Quarterly/Annual Report

Texas law requires a credit access business to file quarterly and annual reports with the OCCC.¹ When a credit access business fails to file a timely and accurate quarterly or annual report, the OCCC issues an injunctive order requiring the credit access business to file complete and timely future reports. If the credit access business continues to violate the reporting requirement, the OCCC may assess administrative penalties and initiate a license revocation action.

In FY 2018, the OCCC initiated 29 enforcement actions against credit access businesses for failing to file timely and accurate quarterly or annual reports. Of the 29 enforcement actions, the OCCC issued an injunctive order against 24 credit access businesses for a first-time reporting violation. The OCCC assessed an administrative penalty against 5 credit access businesses for a second reporting violation.

¹ Section 393.627 of the Texas Finance Code; Title 7, Section 83.5001 of the Texas Administrative Code.

OCCC Case No. L17-102

- **Name:** Cougar Financial Inc. d/b/a Pronto Loans (Master File No. 1400031678)
- **Background:** The OCCC initiated an enforcement action against Cougar Financial Inc. d/b/a Pronto Loans for: (1) failing to use Credit Services Agreements that contained the appropriate terms for the loan or repayment thereof, (2) failing to maintain records of extension agreements in the loans, (3) failing to use extension of credit letters with statutory requirements and notices, and (4) failing to allow the OCCC access to the company's records.
- **Disposition:** The OCCC issued an Agreed Order requiring Cougar Financial Inc. d/b/a Pronto Loans to (1) post required notices, (2) provide consumers with required disclosures, (3) obtain and retain consumer signatures on disclosures, (4) use a complete credit services agreement, (5) allow the OCCC to examine each credit services agreement, (6) waive the outstanding balance of each unsigned credit services agreement, (7) issue a compliant letter of credit, (8) retain a copy of each letter of credit, (9) maintain a credit services organization registration, (10) maintain a transaction register, and (11) maintain a repossession index.