



STATE OF TEXAS

OFFICE OF CONSUMER CREDIT COMMISSIONER

SAM KELLEY, Commissioner

POST OFFICE BOX 2107
AUSTIN, TEXAS 78768

1011 SAN JACINTO BOULEVARD
512, 475-2111

May 27, 1981 No. 81-1

Mrs. Diane Wingo Allen
Sewell & Riggs
Attorneys at Law
900 Capital National Bank Bldg.
Houston, Texas 77002

Dear Mrs. Allen:

This is to acknowledge receipt of your letter of May 15, 1981 concerning the amendment made to Article 5069-15.05, V.A.C.S., by H.B. 1228 recently enacted by the 67th Legislature.

Prior to the above-mentioned amendment, Art. 15.05 read as follows:

"A creditor unilaterally may amend an agreement covering an arrangement and account, but no change adverse to the customer shall be effective as to existing balances or future credit until the first billing cycle beginning more than 90 days after written notice of the change to the customer."

Section 23 of H.B. 1228 added a sentence to Art. 15.05 which is as follows:

"However, a creditor may amend an agreement or contract covering an open-end account by complying with Section (i), Article 1.04, of this Title."

It is our position that a creditor who is extending credit pursuant to a program subject to Chapter 15 and who chooses to implement the provisions of Art. 1.04 as recently amended may comply with all the notice provisions of Art. 1.04(1) rather than the notice provisions of the old Art. 15.05. Such a creditor is therefore not required to give the 90-day notice mentioned in the first sentence of 15.05.

I hope this reply is satisfactory for your purposes.

Sincerely yours,

A handwritten signature in cursive script that reads "Sam Kelley".

Sam Kelley
Commissioner