



**KEN PAXTON**  
ATTORNEY GENERAL OF TEXAS

August 7, 2019

The Honorable Jim Murphy  
Chair, Committee on Pensions, Investments, and Financial Services  
Texas House of Representatives  
Post Office Box 2910  
Austin, Texas 78768-2910

**Via E-Mail**

Re: Authority of a credit services organization to assist a consumer with obtaining an extension of consumer credit in a form other than a deferred presentment transaction or motor vehicle title loan (RQ-0300-KP)

Dear Representative Murphy:

We received your request for an attorney general opinion and have designated it as Request No. 0300-KP. Section 402.042 of the Government Code provides that the Attorney General shall issue an opinion not later than the 180th day after the date that an opinion request is received, unless before that deadline the Attorney General notifies the requesting person in writing that the opinion will be delayed. TEX. GOV'T CODE § 402.042(c)(2). We received your request on July 30, 2019, setting a due date for your opinion of January 27, 2020.

By copy of this letter we are notifying those listed below of your request and asking them to submit briefing on your questions if they have a special interest or expertise in the subject matter. If you are aware of other interested parties, please forward this request for briefing to them or let us know, so that we may notify them as soon as possible. We ask that the briefs be submitted by September 6, 2019, to ensure that this office will have adequate time to review and consider arguments relevant to the request from all interested parties. Briefs may be submitted by e-mail to [opinion.committee@oag.texas.gov](mailto:opinion.committee@oag.texas.gov). Please note that briefs and other correspondence are subject to the Public Information Act.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Virginia K. Hoelscher".

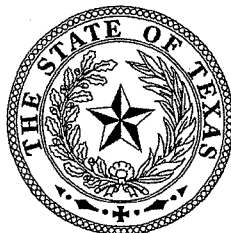
Virginia K. Hoelscher  
Chair, Opinion Committee

VKH/som

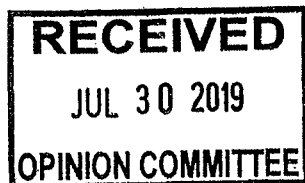
Attachment: Request No. 0300-KP

cc: Ms. Leslie Pettijohn, Consumer Credit Commissioner  
Mr. Michael Rigby, General Counsel, Office of Consumer Credit Commissioner  
Ms. Johanna Meade, General Counsel Division, Office of the Governor

**JIM MURPHY**  
Member  
HOUSE OF REPRESENTATIVES  
District 133 • Harris County



COMMITTEES  
Pensions, Investments and Financial Services, *Chairman*  
Ways & Means



7/30/19

Sent via Email

Office of the Attorney General  
Attention: Opinion Committee  
opinion.committee@oag.texas.gov

RQ-0300-KP  
FILE # ML-48590-19  
I.D. # 48590

Re: Request for Attorney General Opinion

Dear Attorney General Paxton:

Pursuant to Texas Government Code Section 402.042, I request your opinion as to the following questions:

1. Does Chapter 393 authorize a credit services organization, as defined in Section 393.001(3) of the Texas Finance Code, to assist a consumer with obtaining an extension of consumer credit in a form other than a deferred presentment transaction or motor vehicle title loan (each as defined in Section 341.001 of the Texas Finance Code)?
2. If so, does Chapter 393 allow a credit services organization to assist a consumer with obtaining an extension of consumer credit in the form of a "signature loan," whereby no security is obtained from the consumer in exchange for the extension of consumer credit or cash advance (including, without limitation, a motor vehicle title) and no personal check or authorization to debit a deposit account is obtained from the consumer in exchange for the extension of consumer credit or cash advance?

Credit access business is defined in Section 393.221, Finance Code, as "a credit services organization that obtains for a consumer or assists a consumer in obtaining an extension of consumer credit in the form of a deferred presentment transaction or a motor vehicle title loan." This definition is separate from that of a credit service organization, defined in Section 393.001(3) of the Texas Finance Code. There is some disagreement around the interpretation of this statute and whether credit service organizations are limited to offering, as an extension of consumer credit, only the products enumerated in Section 393.221.

I appreciate your time and attention to this matter. Due to the nature of this request and the impact that your opinion may have on consumer options, I ask that you expedite your response to the degree that you are able to do so. Please contact me should you need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Murphy". The signature is written in a cursive style with a large, sweeping initial "J" and a long, horizontal tail stroke.

Jim Murphy  
Chairman  
House Committee on Pensions, Investments, and Financial Services