

Title 7, Texas Administrative Code
Part 5. Office of Consumer Credit Commissioner
Chapter 84. Motor Vehicle Installment Sales
Subchapter F. Licensing

The Finance Commission of Texas (commission) proposes amendments to §84.617 (relating to License Term, Renewal, and Expiration) in 7 TAC Chapter 84, concerning Motor Vehicle Installment Sales.

In general, the purpose of the proposed rule changes is to adjust the license term for motor vehicle sales finance licensees under Texas Finance Code, Chapter 348, and commercial vehicle sales finance licensees under Texas Finance Code, Chapter 353, in anticipation of a transition to the Nationwide Multistate Licensing System (NMLS).

NMLS is an online platform used by state financial regulatory agencies to manage licenses, including license applications and renewals. NMLS was created in 2008. The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 explains that the purposes of NMLS include increasing uniformity and reducing regulatory burden. SAFE Act, 12 USC §5101. Each state currently uses NMLS for licensing individual RMLOs, and states are increasingly using the system to license consumer finance companies. NMLS is managed by the Conference of State Bank Supervisors and is subject to ongoing modernization efforts and enhancements.

The OCCC has begun a phased process of migrating license groups from ALECS (the OCCC's previous licensing platform) to NMLS. In 2025, property tax lenders and regulated lenders completed their transition to NMLS. The OCCC believes that moving to NMLS will improve the user experience of

the licensing system and promote efficiency. The OCCC anticipates that licensees under Chapters 348 and 353 of the Finance Code will be required to transition to NMLS during calendar year 2026.

Proposed amendments to §84.617 would adjust the license term for motor vehicle sales finance licensees and commercial vehicle sales finance licensees. Currently, these licenses have a term that runs from November 1 of a calendar year to October 31 of the next calendar year. These rule amendments would adjust the license term to run from January 1 to December 31, to align with the dates in the NMLS system. License fees paid in 2026 may be prorated to account for the extended term of licensure.

Mirand Diamond, Director of Licensing, Finance and Human Resources, has determined that for the first five-year period the proposed rule changes are in effect, there will be no fiscal implications for state or local government as a result of administering the rule changes.

Christine Graham, Director of Consumer Protection, has determined that for each year of the first five years the proposed amendments are in effect, the public benefit anticipated as a result of the changes will be that the commission's rules will be more consistent with the transition to NMLS as a licensing system, resulting in an improved user experience, efficiency for multistate entities, and an improved ability for consumers to access data about business licenses. Transitioning to NMLS will help

minimize the costs of updating the OCCC's legacy technological systems.

The OCCC does not anticipate economic costs to persons who are required to comply with the rule changes as proposed.

The OCCC is not aware of any adverse economic effect on small businesses, micro-businesses, or rural communities resulting from this proposal. But in order to obtain more complete information concerning the economic effect of these rule changes, the OCCC invites comments from interested stakeholders and the public on any economic impacts on small businesses, as well as any alternative methods of achieving the purpose of the proposal while minimizing adverse impacts on small businesses, micro-businesses, and rural communities.

During the first five years the proposed rule changes will be in effect, the rules will not create or eliminate a government program. Implementation of the rule changes will not require the creation of new employee positions or the elimination of existing employee positions. Implementation of the rule changes will not require an increase or decrease in future legislative appropriations to the OCCC, because the OCCC is a self-directed, semi-independent agency that does not receive legislative appropriations. The proposal does not require an increase or decrease in fees paid to the OCCC. The proposal would not create a new regulation. The proposal would not expand, limit, or repeal a current regulation. The proposed rule changes do not increase or decrease the number of individuals subject to the rule's applicability. The agency does not anticipate that the proposed rule changes will have an effect on the state's economy.

The OCCC distributed an early precomment draft of proposed changes to interested stakeholders for review. The OCCC did not receive any written precomments on the rule text draft.

Comments on the proposal may be submitted in writing to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Boulevard, Austin, Texas 78705 or by email to rule.comments@occc.texas.gov. The commission invites any comments with information related to the cost, benefit, or effect of the proposed rule changes, including any applicable data, research, or analysis, from any person required to comply with the proposed rule changes or any other interested person. To be considered, a written comment must be received on or before the 30th day after the date the proposal is published in the *Texas Register*. After the 30th day after the proposal is published in the *Texas Register*, no further written comments will be considered or accepted by the commission.

The rule changes are proposed under Texas Finance Code, §14.112, §348.5055, and §353.5055, which authorize the commission to prescribe the term for a motor vehicle sales finance license under Texas Finance Code, Chapter 348, and the term for a commercial vehicle sales finance license under Texas Finance Code, Chapter 353. Also, Texas Finance Code, §348.513 and §353.513 authorize the commission to adopt rules to enforce Texas Finance Code, Chapters 348 and 353. In addition, Texas Finance Code, §11.304 authorizes the commission to adopt rules to ensure compliance with Texas Finance Code, Title 4.

The statutory provisions affected by the proposal are contained in Texas Finance Code, Chapters 348 and 353.

§84.617. License Term, Renewal, and Expiration

(a) License term and renewal. A new license is effective from the date of its issuance until December [~~October~~] 31. A license must be renewed annually to remain effective. After renewal, a license is effective for a term of one year, from January 1 to December 31 [~~November 1 of a calendar year to October 31 of the next calendar year~~].

(b) Due date for annual assessment fee. The annual assessment fee is due by December [~~October~~] 1 of each year.

(c) Notice of delinquency. If a licensee does not pay the annual assessment fee, the OCCC will send a notice of delinquency. Notice of delinquency is given when the OCCC sends the notice:

(1) by mail to the address on file with the OCCC as a master file address; or

(2) by e-mail to the address on file with the OCCC as a master file e-mail address, if the licensee has provided a master file e-mail address.

(d) Expiration. If a licensee does not pay the annual assessment fee, the license will expire on the later of:

(1) December [~~October~~] 31 of each year; or

(2) the 16th day after notice of delinquency is given under subsection (c) of this section.

(e) Reinstatement. As provided by Texas Finance Code, §349.301 and §349.303(a), if a license was in good standing when it

expired, a person may reinstate the expired license not later than the 180th day after its expiration date by paying the annual assessment fee and a \$1,000 late filing fee. The late filing fee for a registered office is \$250 under Texas Finance Code, §349.302.

Certification

The agency certifies that legal counsel has reviewed the proposal and found it to be within the agency's legal authority to adopt.

Issued in Austin, Texas on February 20, 2026.

Matthew J. Nance
General Counsel
Office of Consumer Credit Commissioner