

PROPOSED RULES

Proposed rules include new rules, amendments to existing rules, and repeals of existing rules. A state agency shall give at least 30 days' notice of its intention to adopt a rule before it adopts the rule. A state agency shall give all interested persons a reasonable opportunity to

submit data, views, or arguments, orally or in writing (Government Code, Chapter 2001).

Symbols in proposed rule text. Proposed new language is indicated by underlined text. [~~Square brackets and strikethrough~~] indicate existing rule text that is proposed for deletion. "(No change)" indicates that existing rule text at this level will not be amended.

TITLE 7. BANKING AND SECURITIES

PART 5. OFFICE OF CONSUMER CREDIT COMMISSIONER

CHAPTER 83. REGULATED LENDERS AND CREDIT ACCESS BUSINESSES

SUBCHAPTER A. RULES FOR REGULATED LENDERS

DIVISION 10. DUTIES AND AUTHORITY OF AUTHORIZED LENDERS

7 TAC §83.828, §83.829

The Finance Commission of Texas (commission) proposes amendments to §83.828 (relating to Files and Records Required (Subchapter E and F Lenders)) and §83.829 (relating to Files and Records Required (Subchapter G Lenders)) in 7 TAC Chapter 83, Subchapter A, concerning Rules for Regulated Lenders.

The rules in 7 TAC Chapter 83, Subchapter A govern regulated lenders. In general, the purpose of the proposed rule changes to 7 Chapter 83, Subchapter A is to implement changes resulting from the commission's review of the subchapter under Texas Government Code, §2001.039.

Proposed amendments to §83.828 would update recordkeeping requirements for regulated lenders making consumer loans that are not secured by real property under Texas Finance Code, Chapter 342, Subchapter E or Subchapter F. Regulated lenders are required to maintain transaction records under Texas Finance Code, §342.558, and are required to allow the OCCC to access records under Texas Finance Code, §342.552. Currently, provisions throughout §83.828 refer to both paper and electronic recordkeeping systems. Proposed amendments throughout §83.828 would simplify and rearrange this language to refer to electronic recordkeeping systems before referring to paper systems, based on licensees' increasing use of electronic systems rather than paper systems. Additional proposed amendments to §83.828 relate to data security recordkeeping. A proposed amendment at §83.828(14)(A) specifies that licensees must maintain written policies and procedures for an information security program to protect consumers' customer information, as required by the Federal Trade Commission's Safeguards Rule, 16 C.F.R. part 314. Another proposed amendment at §83.828(14)(B) specifies that if a licensee maintains customer information concerning 5,000 or more consumers, then the licensee must maintain a written incident response plan and written risk assessments, as required by 16 C.F.R. §314.4. A proposed amendment at §83.828(15) specifies that

licensees must maintain data breach notifications to consumers and to the Office of the Attorney General under Texas Business & Commerce Code, §521.053. Data security is a crucial issue. The OCCC's 2025-2029 strategic plan includes action items to "[p]romote cybersecurity awareness and best practices among regulated entities" and "[m]onitor cybersecurity incidents and remediation efforts reported by regulated entities." Recent data breaches affecting financial institutions highlight the urgent need for vigilance in this industry. The proposed data security recordkeeping amendments will help ensure that the OCCC can monitor this crucial issue.

Proposed amendments to §83.829 would update recordkeeping requirements for regulated lenders making secondary mortgage loans under Texas Finance Code, Chapter 342, Subchapter G. Similarly to the amendments described in the previous paragraph of this preamble, the proposed amendments to §83.829 would simplify and rearrange language to refer to electronic recordkeeping before paper systems, specify that licensees must maintain records for an information security program, and specify that licensees must maintain data breach notifications.

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 easily understood by licensees required to comply with the rules, and will better enable licensees to comply with Texas Finance Code, Chapter 342 and related legal requirements.

The OCCC does not anticipate economic costs to persons who are required to comply with the rule changes as proposed. If there are economic costs, then the OCCC anticipates that these will be minimal. Regarding the proposed amendments related to information security programs and data breach notifications in §83.828 and §83.829, licensees are required to develop this information by existing statutes and regulations outside of the proposed amendments, so any costs do not result from the proposed amendments.

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 pro-

posal 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 both expand and limit current §83.828 and §83.829 by adding references to certain cybersecurity-related information and removing unnecessary rule text. The proposal would not 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.

In November 2025, the OCCC issued an advance notice of rule review, seeking informal feedback on the rule review. Notice of the review of 7 TAC Chapter 83, Subchapter A was published in the *Texas Register* on December 5, 2025 (50 TexReg 7925). The OCCC and the commission did not receive any comments in response to these notices.

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, §342.551, which authorizes the commission to adopt rules to enforce Texas Finance Code, Chapter 342. 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, Chapter 342.

§83.828. *Files and Records Required (Subchapter E and F Lenders)*. Each licensee must maintain records with respect to each loan made under Texas Finance Code, Chapter 342, Subchapters E and F, and make those records available for examination. The records required by this section may be maintained by using either an electronic recordkeeping system, a paper or manual recordkeeping system, [electronic recordkeeping system, optically imaged recordkeeping system,] or a combination of the preceding types of systems, unless otherwise specified by statute or regulation. If federal law requirements for record retention are different from the provisions contained in this section, the federal law requirements prevail only to the extent of the conflict with the provisions of this section.

(1) Loan register. Each licensee must maintain a loan register, containing the information required by subparagraphs (A) - (D) of this paragraph, for each Texas Finance Code, Chapter 342, Subchapter E and F loan made by the licensee. The loan register can be maintained either as an electronic record or a paper [or an electronic] record. If the loan register is maintained as an electronic record, the licensee must be able to sort, generate, and print, as a separate record, the loan register for each day the licensee originated or acquired Chapter 342, Subchapter E and F loans. A licensee may incorporate the loan register as part of the record of daily transactions required by paragraph (7) of this section if the loan register is a separate and distinct section of the daily report. If the loan register is maintained as a paper record, the loan register must be currently maintained. A licensee may file, in chronological order, copies of any loan document or form prepared at the time a loan is made reflecting the information provided in subparagraphs (A) - (D) of this paragraph to serve as a loan register. A loan register must contain the following information:

(A) - (D) (No change.)

(2) Alphabetical index of current borrowers. A current alphabetical index or report of outstanding loans showing the full name of each borrower, co-borrower, or other obligor on the loan and the loan number assigned each loan must be maintained. A licensee may maintain the alphabetical index of current borrowers either as an electronic record or a paper [or an electronic] record. If the alphabetical index of current borrowers is maintained as an electronic record, the licensee must be able to sort, generate, and print, as a separate record, the alphabetical index of current borrowers in strict alphabetical order. A licensee may maintain the alphabetical index of current borrowers by creating a rolodex of current borrowers. In lieu of creating a rolodex of current borrowers, a licensee may maintain the alphabetical index of current borrowers by filing the loan files of the borrowers or individual borrower's account records in strict alphabetical order. The manual recordkeeping system for maintaining the alphabetical index of current borrowers must be currently maintained and include a card, file, or record for each co-borrower or other obligor.

(3) Borrower's account record (including payment and collection contact history). A separate electronic or paper [or electronic] record must be maintained for the account of each borrower. The paper or electronic borrower's account record must be readily available by reference to either a name or loan number. The borrower's account record must contain at least the following information on each loan:

(A) - (O) (No change.)

(4) Transfer records. A licensee must maintain transfer records, whether electronic or paper [or electronic], when any Texas Finance Code, Chapter 342 loan accounts made by or acquired by the licensee are transferred from its licensed location. The records must show the name of the borrower, the account number, the date of transfer, and the location to which the accounts are transferred.

(5) - (6) (No change.)

(7) Record of daily transactions. Each licensee must maintain sufficient records, electronic or paper [or electronic], to adequately reflect, on an individual account basis, the business occurring during each day. The records must reflect the date on which each transaction occurred.

(8) (No change.)

(9) Insurance loss registers. Each licensee must maintain a register, electronic or paper [or electronic], reflecting information on credit life, credit accident and health, personal property, credit involuntary unemployment, and collateral protection insurance claims whether paid or denied by the insurance carrier.

(A) - (E) (No change.)

(10) - (13) (No change.)

(14) Information security program. A licensee must maintain the following for an information security program:

(A) written policies and procedures for an information security program to protect consumers' customer information under the Federal Trade Commission's Safeguards Rule, 16 C.F.R. part 314; and

(B) if a licensee maintains customer information concerning 5,000 or more consumers, a written incident response plan and written risk assessments under 16 C.F.R. §314.4.

(15) Data breach notifications. A licensee must maintain the following for data breach notifications:

(A) the text of any data breach notification provided to consumers, including any notification under Texas Business & Commerce Code, §521.053, for a period of four years from the date of the notification; and

(B) any data breach notification provided to a government agency, including any notification provided to the Office of the Attorney General under Texas Business & Commerce Code, §521.053, for a period of four years from the date of the notification.

(16) [(14)] Retention and availability of records. All required books and records must be available for inspection at any time by OCCC staff, and must be retained for a period of four years from the date of the loan, or two years from the date of the final entry made thereon, whichever is later. All obligations authenticated by the borrower, including promissory notes and security agreements, must be kept at an office in the state designated by the licensee or made available in the state, except when transferred under an agreement that gives the OCCC access to the documents. Copies of loan documents, financing statements, loan applications, records of insurance policies issued by or through the licensee in connection with the loan, and books and records required by this section must be maintained at the licensed location or be made available at some location in the state designated by the licensee in writing to the OCCC. Documents may be maintained out of state if the licensee has in writing acknowledged responsibility for either making the records available within the state for examination or by acknowledging responsibility for additional examination costs associated with examinations conducted out of state.

§83.829. Files and Records Required (Subchapter G Lenders).

Each licensee must maintain records with respect to each loan made under Texas Finance Code, Chapter 342, Subchapter G and each home equity loan made under Texas Constitution, Article XVI, Section 50, and make those records available for examination. The records required by this section may be maintained by using either an electronic recordkeeping system, a paper or manual recordkeeping system, [~~electronic recordkeeping system, optically imaged recordkeeping system,~~] or a combination of the preceding types of systems, unless otherwise specified by statute or regulation. If federal law requirements for record retention are different from the provisions contained in this section, the federal law requirements prevail only to the extent of the conflict with the provisions of this section. The records required by this section must be retained and made available for inspection in the same manner as that specified in §83.828(16) [§83.828(14)] of this title (relating to Files and Records Required (Subchapter E and F Lenders)).

(1) - (5) (No change.)

(6) Information security program. A licensee must maintain the following for an information security program:

(A) written policies and procedures for an information security program to protect consumers' customer information under the Federal Trade Commission's Safeguards Rule, 16 C.F.R. part 314; and

(B) if a licensee maintains customer information concerning 5,000 or more consumers, a written incident response plan and written risk assessments under 16 C.F.R. §314.4.

(7) Data breach notifications. A licensee must maintain the following for data breach notifications:

(A) the text of any data breach notification provided to consumers, including any notification under Texas Business & Commerce Code, §521.053, for a period of four years from the date of the notification; and

(B) any data breach notification provided to a government agency, including any notification provided to the Office of the Attorney General under Texas Business & Commerce Code, §521.053, for a period of four years from the date of the notification.

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

Filed with the Office of the Secretary of State on February 20, 2026.

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Matthew Nance

General Counsel

Office of Consumer Credit Commissioner

Earliest possible date of adoption: April 5, 2026

For further information, please call: (512) 936-7660



CHAPTER 84. MOTOR VEHICLE INSTALLMENT SALES

SUBCHAPTER F. LICENSING

7 TAC §84.617

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.