

NOTICE OF PRECOMMENT DRAFT & ONLINE WEBINAR
Motor Vehicle Documentary Fee Rule Amendments
May 28, 2026 at 10:00 a.m.

The Office of Consumer Credit Commissioner (OCCC) will hold an online webinar on May 28, 2026, at 10:00 a.m. During the webinar, the OCCC will discuss the May 14 precomment draft of rule amendments relating to motor vehicle documentary fees. The OCCC will take questions during the webinar and will accept informal written precomments until 5:00 p.m. on May 29.

Summary of New Rules

The amendments would revise the OCCC's motor vehicle documentary fee rule at Title 7, Section 84.205 of the Texas Administrative Code. The amendments include clarifying revisions and updates for the cost analysis filed by retail sellers filing for a documentary fee greater than \$225. The amendments do not affect retail sellers charging a documentary fee of \$225 or less.

The amendments include the following changes to Section 84.205:

- A revision at Section 84.205(d)(2) explains that a seller has the burden to show that a documentary fee over \$225 is adequately supported by the seller's cost analysis and exhibits provided to the OCCC.
- A revision at Section 84.205(d)(2)(B) explains that if a cost is allowable under generally accepted account principles but not Section 84.205, then Section 84.205 prevails.
- Revisions at Section 84.205(d)(2)(F)(vi) and (d)(3)(B)(i) remove language on commission for personnel other than salespersons. In reviewing cost analyses, the OCCC has found that commission for personnel other than salespersons does not directly relate to processing documents and should not be included in the documentary fee.
- Revisions at Section 84.205(d)(3)(B)(ii) revise the list of transaction forms to be consistent with recent amendments to the Texas Department of Motor Vehicles' rules on metal license plates and verification of the buyer's identity.
- A revision at Section 84.205(d)(3)(B)(iv) explains that facilities costs may not include unrelated improvement costs.

Participating in Webinar

Stakeholders are invited to listen and participate in the online webinar. Please follow the instructions available at: <https://attendee.gotowebinar.com/register/9035501139405231960>

Submission of Informal Precomments

Informal precomments on the draft rule amendments may be submitted by email to rule.comments@occc.texas.gov, or by mail to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Blvd., Austin, Texas 78705.

Precomments submitted to the OCCC are generally public. Please redact all confidential information before submitting comments to the OCCC.

Informal comments on OCCC's May 14 precomment draft must be received by 5:00 p.m. on May 29, 2026.

**OCCC Motor Vehicle Documentary Fee Rule Amendments
5/14/2026 Precomment Draft**

Title 7, Texas Administrative Code

Part 5. Office of Consumer Credit Commissioner

Chapter 84. Motor Vehicle Installment Sales

Subchapter B. Retail Installment Contract

§84.205. Documentary Fee

(a) - (c) (No change.)

(d) Cost analysis.

(1) Generally. Before charging a documentary fee greater than \$225, a seller must submit a cost analysis showing that the documentary fee is reasonable. The seller has the burden of showing that the documentary fee is reasonable, and that all included costs are reasonable, specified, and adequately supported by the cost analysis and exhibits that the seller provided to the OCCC under this section [~~adequate documentation~~]. This subsection does not require the OCCC's approval of a documentary fee before a seller charges it. However, the OCCC may order restitution under subsection (d)(6) if a seller charges a documentary fee over \$225 that is not supported by a complete cost analysis, or if the documentary fee includes costs that are not reasonable.

(2) Reasonableness requirements. In order to be reasonable, a documentary fee must reflect costs actually incurred by the seller in preparing and processing documents for a motor vehicle sale. All included costs must comply with the following reasonableness requirements.

(A) (No change.)

(B) Allowable. Costs must relate to activities required to comply with local, state, or federal law concerning motor vehicle sales. Costs related to ancillary or optional products may not be included. Costs must be determined in accordance with generally accepted accounting principles and in accordance with this section. If a cost is allowable under generally accepted accounting principles but not allowable under this section, then this section prevails.

(C) Prudent business person. Costs must comply with the prudent-business-person standard. This means that costs are limited to what a prudent business person would pay in a competitive marketplace. For example, sending documents by overnight shipping [~~hiring a limousine to deliver documents~~] does not comply with the prudent-business-person standard. In determining whether a given cost is prudent, consideration will be given to the following:

(i) whether the cost is of a type generally recognized as ordinary, customary, and necessary for preparing and processing documents for a motor vehicle sale;

(ii) the restraints or requirements imposed by sound business practices, arm's-length bargaining, and applicable laws and regulations;

(iii) market prices for comparable goods or services; and

(iv) the necessity of the cost.

(D) - (E) (No change.)

(F) Other prohibitions. The documentary fee may not include costs associated with any of the following:

(i) advertising;

(ii) floor planning (i.e., the seller's credit arrangements for the purchase of its inventory);

(iii) manufacturer or distributor's rebates;

(iv) the price of any report on the condition or history of the motor vehicle to be purchased or traded in;

(v) the disbursement of money to a financial institution (e.g., the cost of issuing a certified check);

(vi) a salesperson's commission, bonus, or other variable compensation for the sale of a motor vehicle [~~but commissions for an employee other than a salesperson may be included if they comply with subsection (d)(3)(B)(i)~~].

(3) Form of cost analysis. The cost analysis must include a summary of documentary fee costs and supporting exhibits.

(A) (No change.)

(B) Supporting exhibits. A seller must provide a supporting exhibit for each category of costs included in the documentary fee. A seller must prorate costs to ensure that costs that are impermissible under this subsection are excluded. If a category is associated with both permissible and impermissible costs, then a seller must include only the permissible portion and explain the percentage of the category that is being included. The OCCC may prescribe a form for the supporting exhibits. A seller is not required to provide an exhibit for any category that does not include any costs.

(i) Personnel. The supporting exhibit for personnel must describe how all employee salaries included in the documentary fee comply with the reasonableness requirements described in this subsection.

(I) The supporting exhibit for personnel must include a job description for each position. Job descriptions must be specific enough to illustrate which functions are unique to

each listed position, on a task level. The job description must identify which specific tasks are included as a cost component of the documentary fee, and which are excluded. The cost analysis must specifically list and exclude any tasks that arise solely in credit transactions, any tasks related to optional or ancillary products, and any tasks that the employee performs outside the timing requirement of paragraph (2)(D) of this subsection.

(II) The supporting exhibit for personnel must include each salary and a complete description of how compensation is calculated for each position (e.g., a pay plan).

~~[(a) Commission paid to a salesperson for the sale of a motor vehicle must be excluded. If the seller includes a portion of the base salary paid to a salesperson, then the seller must explain how the salary has been prorated to exclude impermissible costs. If the seller offers a guaranteed minimum draw against future commission, then the draw may be included in the base salary rather than the commission.]~~

~~[(b) If the seller includes any commission paid to a person other than a salesperson, then the seller must explain how the commission has been prorated to exclude any impermissible costs (e.g., commission for ancillary products, or commission that arises only in credit transactions). If the seller offers a guaranteed minimum draw against future commission, then the draw may be included in the base salary rather than the commission.]~~

~~[(III) If costs of training employees are included, then the supporting exhibit must include an agenda for the training and an explanation of the subject matter of the training. The seller must explain how training costs have been prorated to exclude impermissible costs (e.g., costs of training employees on responsibilities that arise only in credit transactions, or that arise before preparation of a purchase agreement).]~~

(ii) Forms and printing. The supporting exhibit for forms and printing must describe all included costs and explain which forms are purchased or printed. All included forms must be used uniformly in cash and credit motor vehicle sales. If a seller uses a form only in certain transactions, then the seller must prorate costs by the fraction of the seller's sales in which the form is used. For example, if a form is used only for used motor vehicle sales, then a seller must prorate the cost of the form by the fraction of the seller's sales that are used motor vehicles. If a seller includes forms not listed in this clause, then the supporting exhibit must include an explanation of how the forms comply with the reasonableness requirements described in this subsection, with a citation to the law that requires the form. A seller may include the costs of the following forms:

(I) a written contract for the sale of the motor vehicle, as required by Texas Business and Commerce Code §2.201, which must be in the form of only one of the following:

(-a-) a purchase agreement;

(-b-) a buyer's order;

(-c-) a bill of sale; or

(-d-) a retail installment sales contract (if a seller includes the cost of a retail installment sales contract, then the cost must be prorated to exclude the Truth in Lending disclosure statement and any provisions that are used only in credit transactions);

(II) an application for certificate of title, form 130-U, as required by Texas Transportation Code, §501.023;

(III) a privacy notice, as required by the Gramm-Leach-Bliley Act, 15 U.S.C. §6803;

(IV) a copy of the buyer's driver's license, in order to verify the buyer's identity and ensure compliance with 43 Texas Administrative Code §217.26 and regulations of the Office of Foreign Assets Control, 31 C.F.R. Parts 501-599;

(V) a report of a cash payment over \$10,000, form 8300, as required by the USA PATRIOT Act, 31 U.S.C. §5331;

(VI) a Texas Lemon Law disclosure, as required by Texas Occupations Code, §2301.610;

~~[(VII) the buyer's temporary tag, as required by Texas Transportation Code, §503.063, and 43 Texas Administrative Code §215.155;]~~

(VII) ~~[(VIII)]~~ the buyer's license plate ~~[temporary tag]~~ receipt, as required by 43 Texas Administrative Code §215.156;

(VIII) ~~[(IX)]~~ a window sticker for new vehicles, as required by 15 U.S.C. §1232; and

(IX) ~~[(X)]~~ a used car buyers guide, as required by the Federal Trade Commission's Used Motor Vehicle Rule, 16 C.F.R. §455.2.

(iii) - (iv) (No change.)

(v) Facilities costs. The supporting exhibit for facilities must identify all included facilities costs (e.g., rent, property taxes, insurance). Any facilities costs must be adjusted to include only direct fixed costs that comply with the reasonableness requirements described in this subsection. The documentary fee may not include costs incurred while the seller's facilities are closed, because these are indirect costs that do not directly relate to the processing of documents. The documentary fee may not include costs associated with areas that are not involved in the processing of documents (e.g., common areas, break rooms, bathrooms) or unrelated improvement costs. The documentary fee may not include any depreciation of facilities costs. The exhibit must describe an appropriate methodology ensuring that the documentary fee includes only the portion of the facilities costs that corresponds to the percentage of time and space used for activities that may be included in the documentary fee.

(vi) (No change.)

(4) - (6) (No change.)