

BILL ANALYSIS

Senate Research Center
77R870 MTB-D

H.B. 198
By: Averitt (Carona)
Business & Commerce
4/25/2001
Engrossed

DIGEST AND PURPOSE

Under current Texas law, the acquisition charge on a small cash consumer loan (loan) of \$100 or less is not refundable. On loans in excess of \$100, the \$10 acquisition charge is subject to refund in the event of early prepayment. H.B. 198 repeals the provision that refunds the \$10 acquisition charge on loans in excess of \$100.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 342.256, Finance Code, to provide that an acquisition charge authorized under Section 342.252(1), (2), or (3) is considered to be earned at the time a loan is made and is not subject to refund. Deletes existing text regarding the maximum limit of \$100 on the prepayment on a loan with a cash advance. Deletes existing Subsection (c) regarding the prepayment of a loan with a cash advance of more than \$100. Makes a conforming change.

SECTION 2. Effective date: September 1, 2001.
Makes application of this Act prospective.