

BILL ANALYSIS

Senate Research Center
83R10291 RWG-D

S.B. 1715
By: Davis
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Questions have been raised as to the third-party sources of funding for credit access businesses (CABs). Without this information, it is difficult to know whether any laws are being broken related to the funding of CABs, or whether any violations of arms-length requirements between a CAB and a third-party lender exist.

S.B. 1715 requires that in applying for a CAB license, the prospective licensee must include a copy of each agreement between it and any third-party lender it contracts with, as well as making that information public information subject to Chapter 552, Government Code.

As proposed, S.B. 1715 amends current law relating to a requirement that a credit access business include copies of its agreements with third-party lenders in an application for a license.

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 393.604, Finance Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Requires that an application for a license under this subchapter include a copy of each agreement between the business and a third-party lender organization with which the business contracts to provide services described by Section 393.602(a) (relating to credit services organization that obtains for a consumer or assists a consumer in obtaining an extension of consumer credit in a certain form) or from which the business arranges extensions of consumer credit described by Section 393.602(a).

(d) Provides that information provided by an applicant under this section is public information for the purposes of Chapter 552 (Public Information), Government Code, notwithstanding any exception provided by that chapter.

SECTION 2. Effective date: upon passage or September 1, 2013.