

1 AN ACT

2 relating to deferred presentment transactions of certain military
3 personnel or their spouses.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 342, Finance Code, is amended by adding
6 Subchapter M to read as follows:

7 SUBCHAPTER M. DEFERRED PRESENTMENT TRANSACTIONS

8 Sec. 342.601. DEFINITIONS. In this subchapter:

9 (1) "Lender" means a lender licensed under this
10 chapter.

11 (2) "Member of the United States military" means:

12 (A) a member of the armed forces of the United
13 States; or

14 (B) a member of the Texas National Guard who is
15 called to federal active duty.

16 Sec. 342.602. DISCLOSURES TO MILITARY BORROWERS. Before
17 engaging in a deferred presentment transaction, a lender shall
18 provide to a customer who is a member of the United States military
19 or the member's spouse a written statement that clearly and
20 conspicuously states that:

21 (1) the lender is prohibited by law from:

22 (A) garnishing the wages of any borrower,
23 including a borrower who is a member of the United States military;

24 (B) conducting any collection activity against a

borrower who is:

(i) a member of the armed forces of the United States who is deployed to combat or a combat support posting, for the duration of the posting;

(ii) a member of the Texas National Guard who is called to federal active duty, for the duration of the duty;

(iii) the spouse of a person described by Paragraph (i), for the duration of the posting; or

(iv) the spouse of a person described by Paragraph (ii), for the duration of the duty; or

(C) from contacting the employer of a member of the United States military about a deferred presentment debt of the member or the member's spouse;

(2) the lender shall honor the terms of a repayment agreement entered into with a member of the United States military or the member's spouse, including a repayment agreement negotiated through military counselors or third-party credit counselors; and

(3) the lender shall honor any statement made by a commanding officer of a member of the United States military declaring any location where deferred presentment transaction business is to be conducted by the lender to be a place at which a member of the United States military or the member's spouse is prohibited from transacting business.

Sec. 342.603. PROHIBITED PRACTICES. A lender may not contact the employer of a member of the United States military about a deferred presentment debt of the member or the member's spouse.

Sec. 342.604. MILITARY BORROWER. (a) A lender may not

1 engage in collection activity against a borrower who is:

2 (1) a member of the armed forces of the United States
3 who is deployed to combat or a combat support posting, for the
4 duration of the posting;

5 (2) a member of the Texas National Guard who is called
6 to federal active duty, for the duration of the duty;

7 (3) the spouse of a person described by Subdivision
8 (1), for the duration of the posting; or

9 (4) the spouse of a person described by Subdivision
10 (2), for the duration of the duty.

11 (b) A lender may not garnish the wages of a borrower who is a
12 member of the United States military or the member's spouse.

13 Sec. 342.605. REPAYMENT AGREEMENT. With respect to a
14 deferred presentment transaction, a lender shall honor a repayment
15 agreement entered into with a borrower who is a member of the United
16 States military or the member's spouse, including a repayment
17 agreement negotiated through a military counselor or a third-party
18 credit counselor.

19 SECTION 2. This Act takes effect September 1, 2005.

David Dewhurst
President of the Senate

Jim Caddell
Speaker of the House

I hereby certify that S.B. No. 1479 passed the Senate on April 11, 2005, by the following vote: Yeas 30, Nays 0.

Datsy Spaw
Secretary of the Senate

I hereby certify that S.B. No. 1479 passed the House on May 25, 2005, by a non-record vote.

Robert Haney
Chief Clerk of the House

Approved:

17 JUNE '05
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:20 AM O'CLOCK

JUN 17 2005

Roger Williams
Secretary of State