



Credit Service Organizations (CSOs)

What is a Credit Service Organization (CSO)?

A Credit Service Organization (CSO) provides retail financial products and services to Texas consumers. From stores in neighborhoods across the state, hard-working Texans have access to small, short term loans, money orders, prepaid telephone and debit cards, and other services to help them manage their finances.

CSOs locate and provide an independent third-party lender for Texas consumers who need small, short-term loans for immediate financial needs. CSOs do not provide loans directly to consumers.

Are Credit Service Organizations authorized to offer retail products and services in Texas?

CSOs are authorized to provide financial products and services in retail stores across the state under Chapter 393 of the Texas Finance Code. All CSOs must register with the Secretary of State under the Texas Credit Service Organization Act. Under this act:

- A \$10,000 bond per store location is required.
- CSOs must disclose all fees and charges for financial products
- CSOs must give every customer three days to change their minds without penalty or charges.
- Customers are entitled to actual damages, potential punitive damages, and attorneys' fees in actions against CSOs for violations of the Act.
- Violations of the Act are also specifically subject to the Texas Deceptive Trade Practices Consumer Protection Act.

Heavily regulated by 24 Federal and State Laws.

Texas Credit Service Organization Act
Texas Deceptive Trade Practices Consumer Protection Act
Texas Constitution, Article 16
Texas Finance Code Chapter 302
Texas Business and Commerce Code, Article 9
Federal Truth in Lending Act
Regulation Z (12CFR part 226)
Texas Debt Collection Practices Act
Federal Debt Collection Practices Act
Federal Equal Credit Opportunity Act
Regulation B (12 CFR part 222)
Regulation V (12CFR part 222)

Federal Trade Commission Act
Federal Fair Credit Reporting Act
Federal Gramm-Leach-Bliley privacy laws
Federal Trade Commission Regulations (16CFR parts 313 and 314)
Electronic Signatures in Global and National Commerce Act
Title X Dodd-Frank Wall Street Reform & Consumer Protection Act
Check 21
Fair and Accurate Credit Transactions Act (FACTA)
Bank Secrecy Act, OFAC and US Patriot Act
Electronic Funds Transfer
Regulation E

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