

Texas Credit Access Business Legislation

The Texas Legislature passed Credit Access Business (CAB) legislation during the 2011 regular session which provides comprehensive state oversight of the industry and nation leading consumer protections.

Strict consumer disclosures

All stores are required to have "menu boards" posted in a conspicuous location that details pricing, fees, and annual percentage rates for all credit products and services.

Upon store entry, every consumer is given a written disclosure describing:

- How much their loan will cost.
- How much the loan would cost if it was refinanced several times.
- How the cost of their loan compares with other types of loans from other lenders.
- Information on how long it takes others to typically repay similar loans and instructions on how to file a complaint with the Office of Consumer Credit Commissioner (OCCC).



Strict licensing requirements



Every CAB location must be licensed individually by the OCCC. Each license must be renewed each year. To obtain a license, an applicant must:

- Provide fingerprints, criminal background checks, personal affidavits, a ten-year employment history, and a statement of experience from each "principal party."
- Submit a detailed business plan and financial statements.
- Net assets of \$25,000 per store location.

Examination, Supervision, and Enforcement

The OCCC has the full range of enforcement authority over CABs, including:

- Issue cease and desist orders against individuals for improper practices.
- Order restitution to customers who were overcharged.
- Impose fines for repeated violations of laws and regulations.
- Revoke licenses to conduct business in the state.

All CABs are required to file quarterly business activity reports by store locations. The OCCC routinely examines CABs ensuring compliance with all laws and regulations.

