

Texas Consumer Finance Association

July 11, 2024



TEXAS OFFICE OF CONSUMER
CREDIT COMMISSIONER



Agency Update



Compliance
Update



Data Trends



Compliance Update

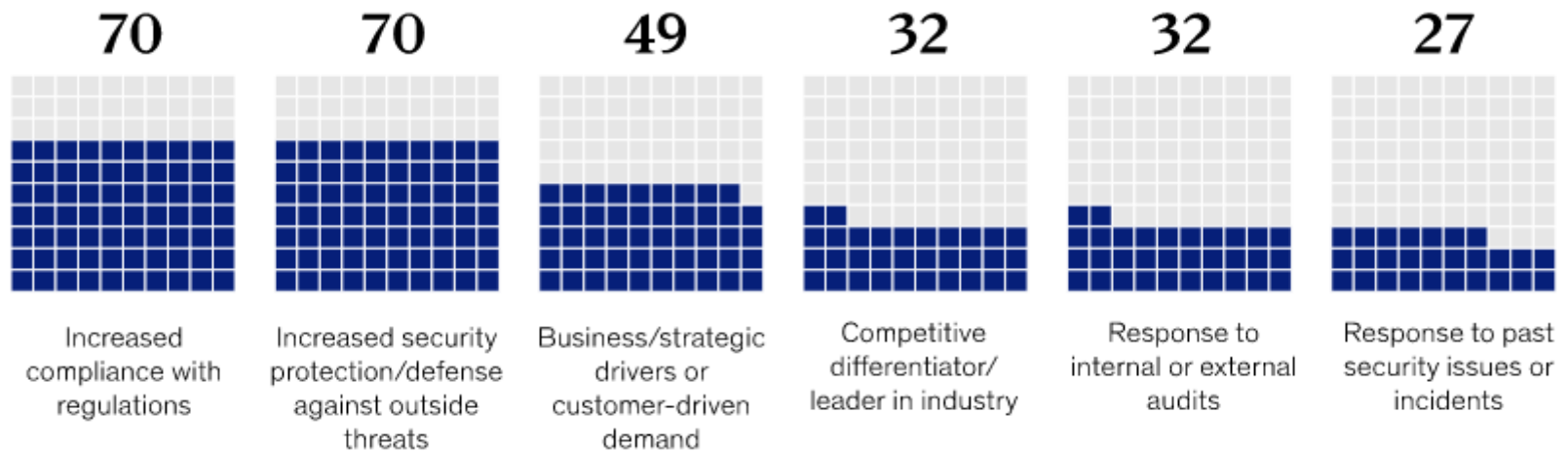
- Chapter 342 F, Acquisition Fee Rule Adoption
 - ❖ 12.5% of the cash advance
 - ❖ Maximum amount should not exceed \$125 (until 6/30/2025)
 - ❖ Beginning July 1, 2025, the maximum amount will be adjusted using a formula, like the bracket adjustment, which is based upon changes in the CPI
 - ❖ Effective today, July 11, 2024
- Recent and upcoming rules are posted at:
<https://occc.texas.gov/publications/rules>
- The current Texas Administrative Code is at:
[https://texreg.sos.state.tx.us/public/readtac\\$ext.viewtac](https://texreg.sos.state.tx.us/public/readtac$ext.viewtac)

Fee limitation: Section 342.254 of the Finance Code prohibits a lender from contracting for, charging, or receiving an amount on a Subchapter F loan unless expressly authorized by Subchapter F.

- Pay-to-Pay or Convenience fees – A lender may not charge or collect a fee in connection with a payment (even as reimbursement for processing costs. If there is an electronic payment fee charged by a third party, then the lender may not directly or indirectly share in the fee and may not add another fee.
- Court Costs – A lender may not collect court costs as those are not expressly authorized, even if awarded by a court.

Financial-services organizations value compliance and security against threats as top drivers for cybersecurity capabilities.

Factors driving organizations in maturing cybersecurity,¹ % of respondents (n = 37)



¹Question: What are the primary factors driving your organization in maturing its cybersecurity capabilities?
 Source: IIF; McKinsey Future of Cybersecurity Survey 2023



Licensing System Transition

- Why?
- When?
- How?

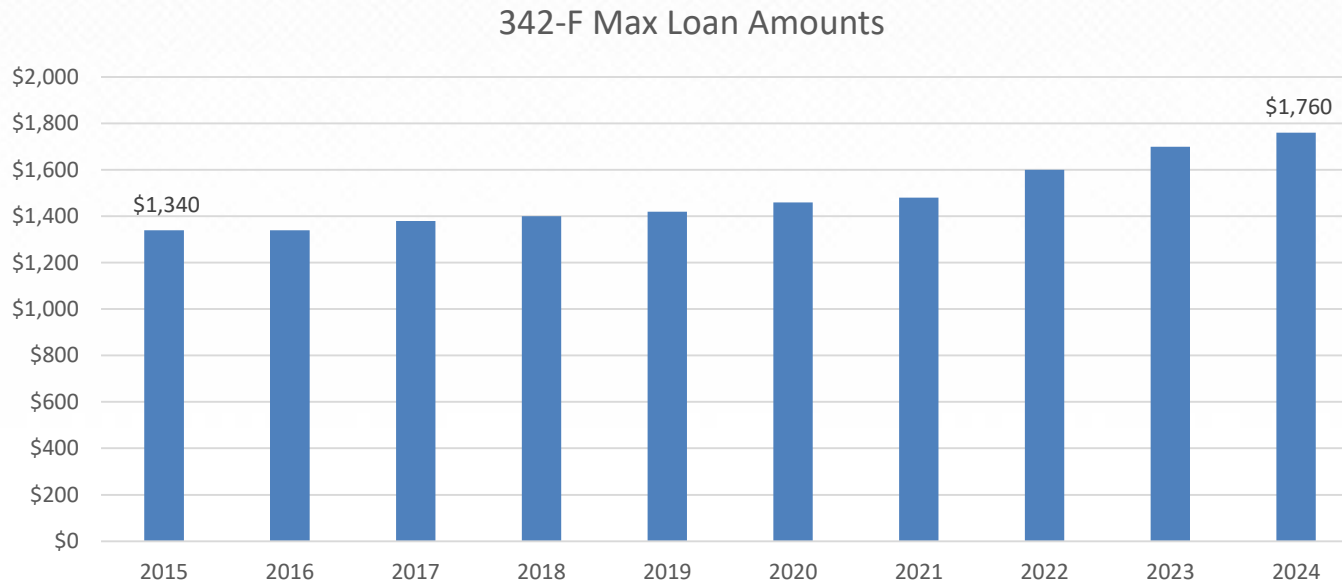


Texas Consumer Installment Loan Data Trends


Preliminary 2024 data
(as of 7/1/2024)



342-F Max Loan Amounts

- Increased from \$1,700 to \$1,760 (*3.53% yearly increase*)
- \$1,340 to \$1,760 (*31.3% increase since 2015*)





Leading Indicators

Consumer Confidence Index decreased 9.7 points in June (*Texas CCI decreased 6.2 points for the same period*) 

Residential Single Family Building Permits increased 4.1% in the 12 months preceding May. Multi-unit permits (5 units or more) decreased 30.7% over the same period.  

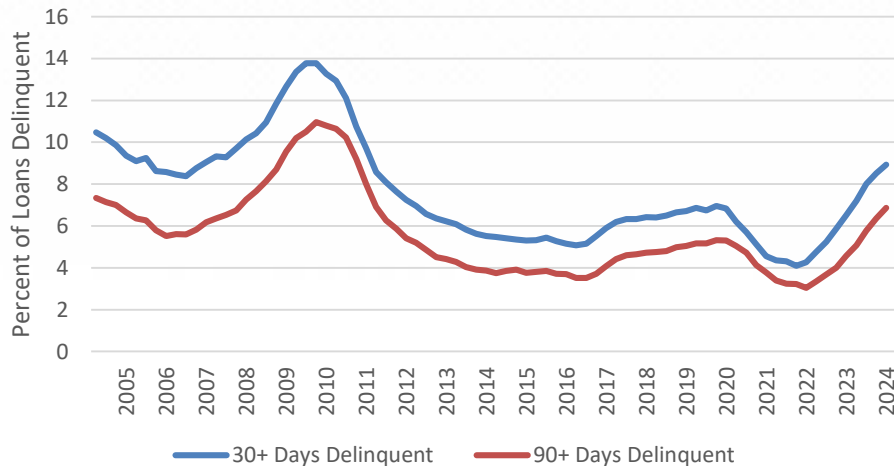
Lagging Indicators

CPI remained unchanged in May and increased 3.3% over 12 months (*Texas CPI was up 4% for 12 months*) 

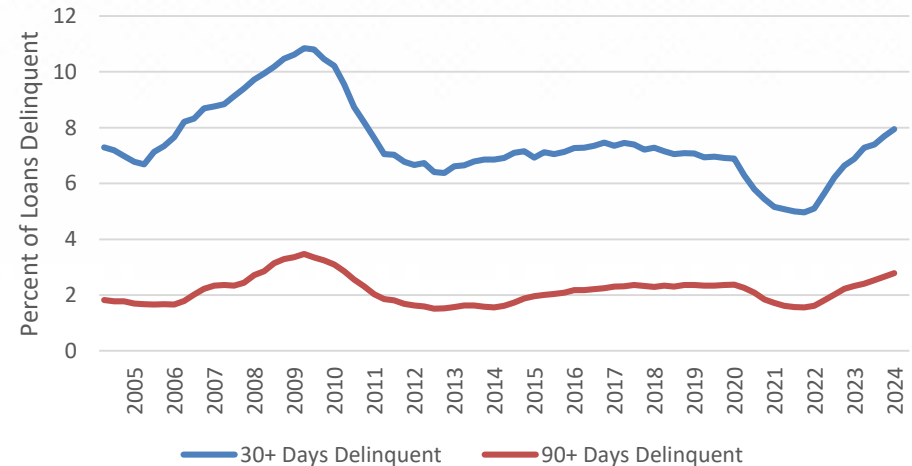
The unemployment rate remained unchanged at 4.0% in May (*Texas increased 10 basis points in May*) 

National Credit Delinquencies

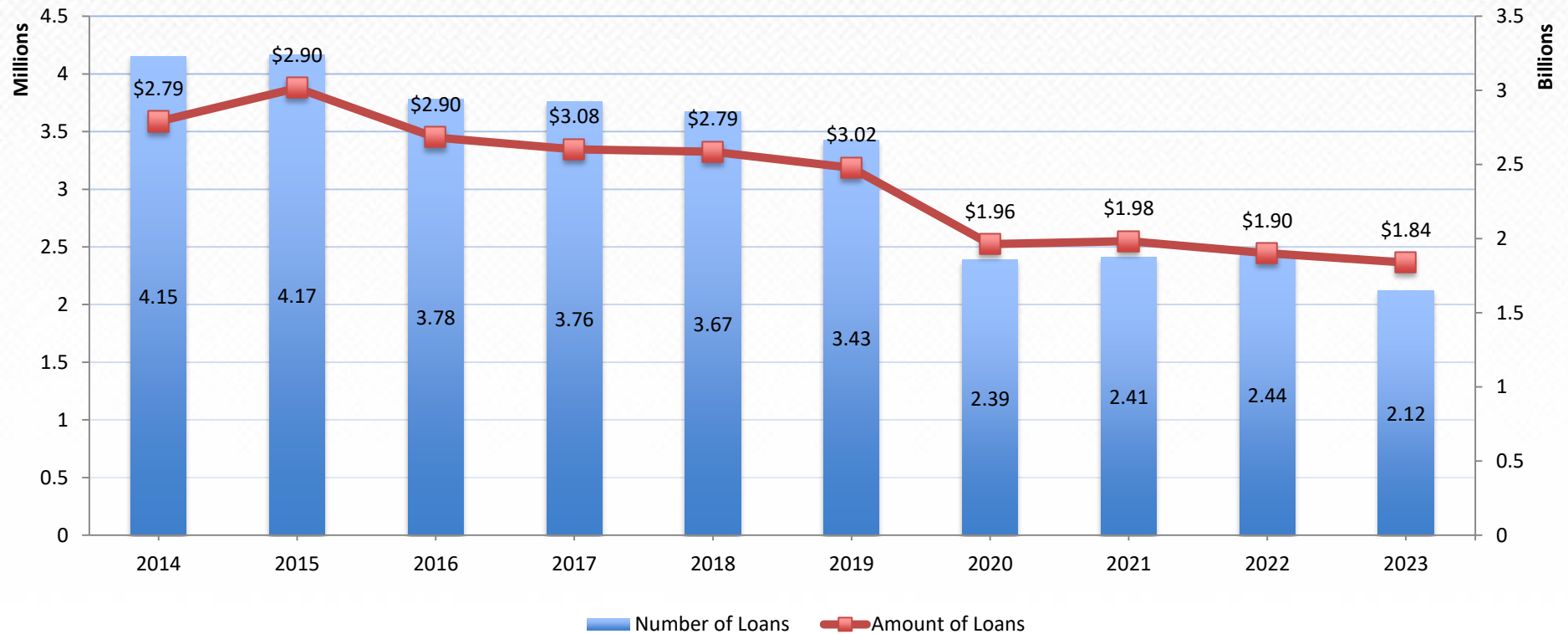
Credit Card Delinquencies



Auto Loan Delinquencies

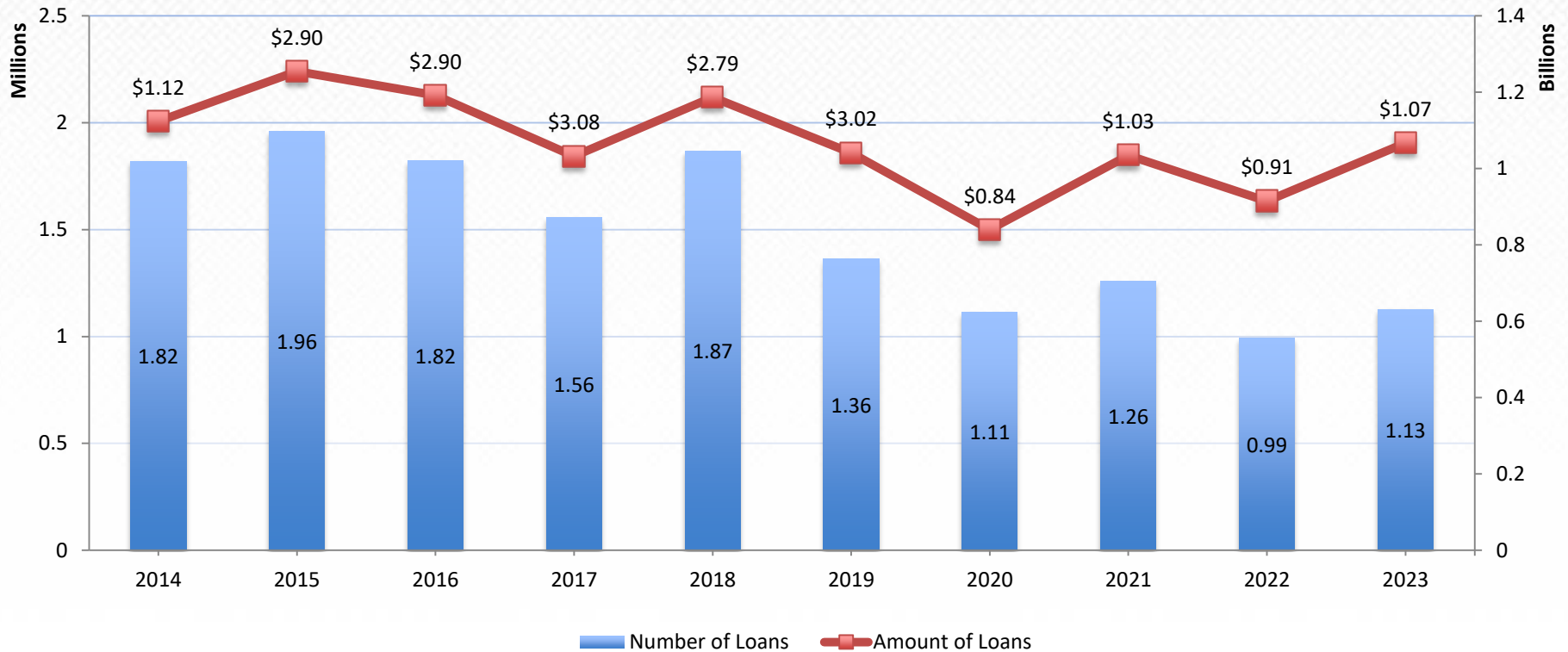


342-F Loans Made



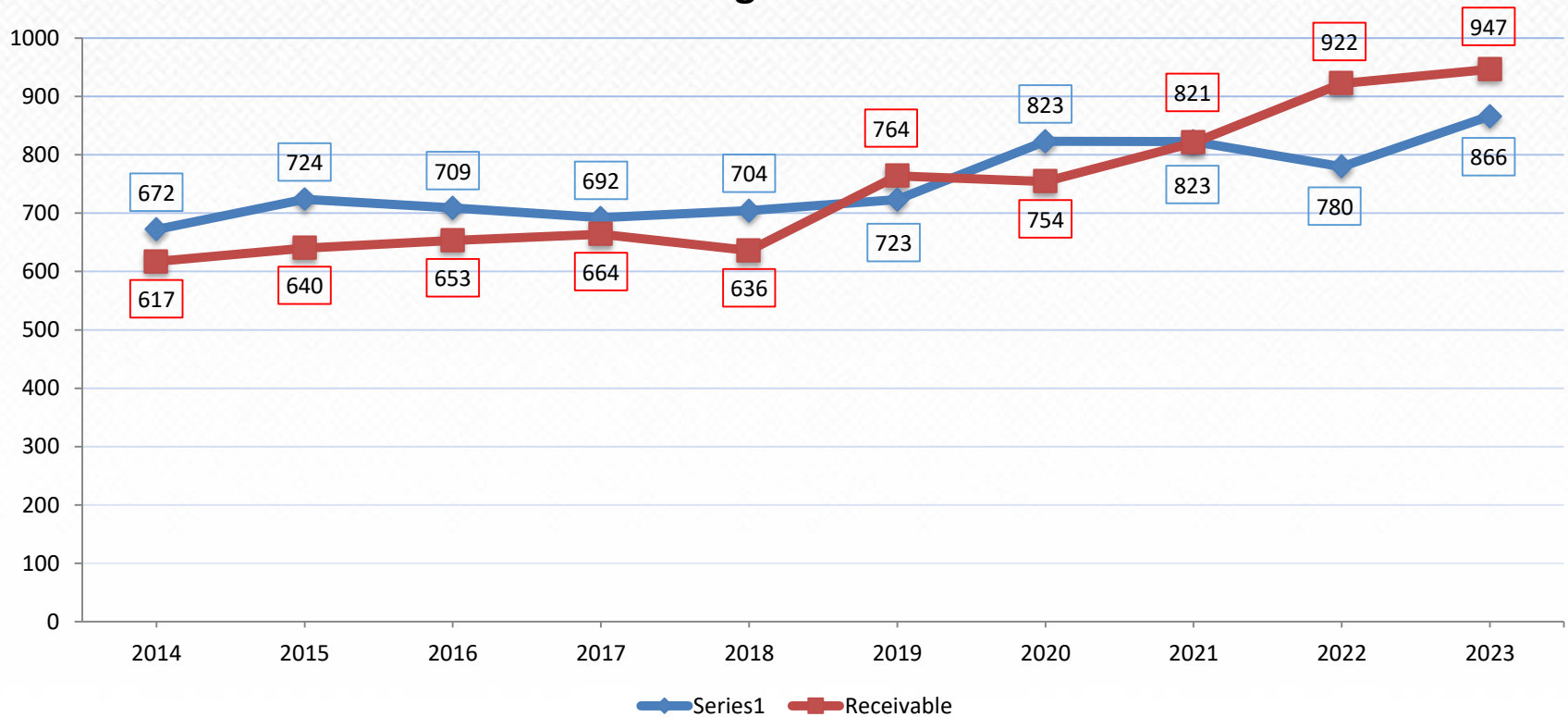
*Preliminary data through 7/1/2024

Loans Receivable



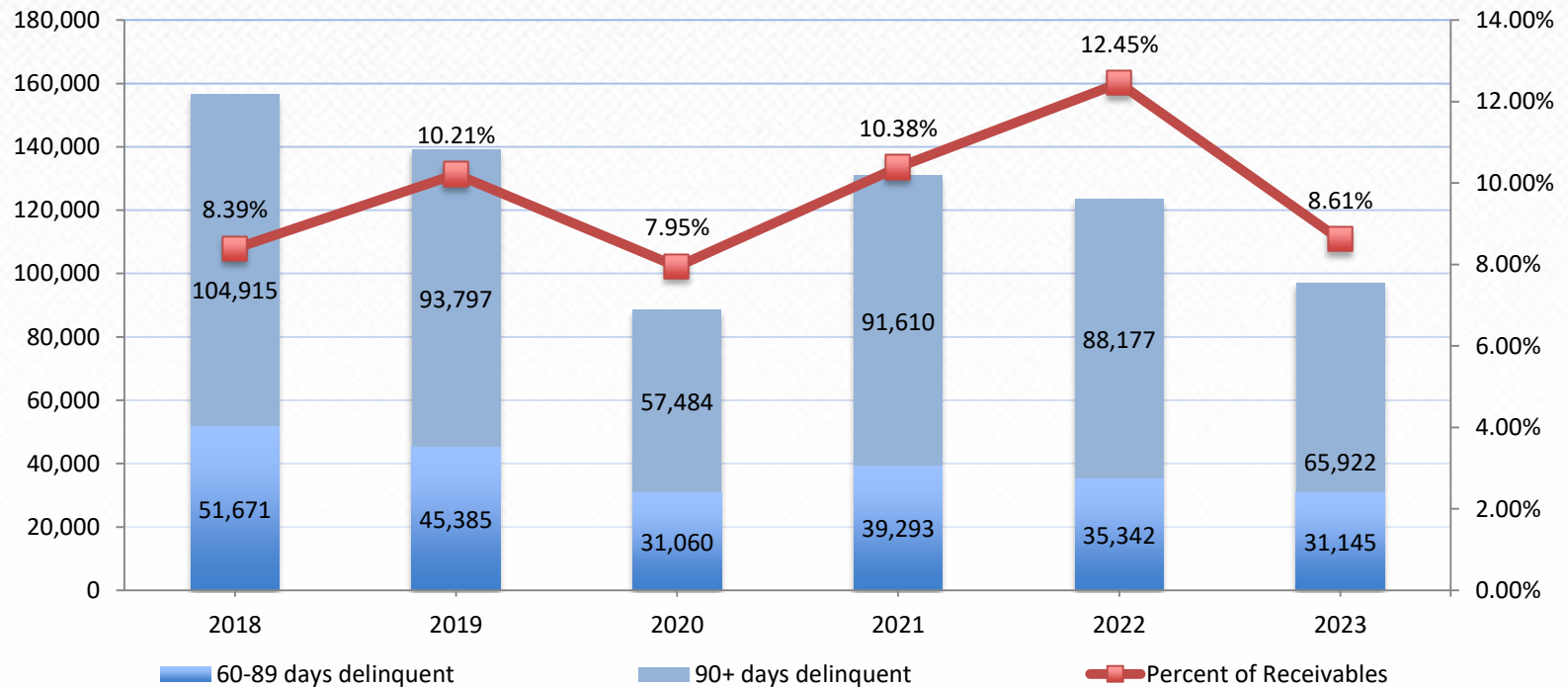
*Preliminary data through 7/1/2024

Average Amounts



*Preliminary data through 7/1/2024

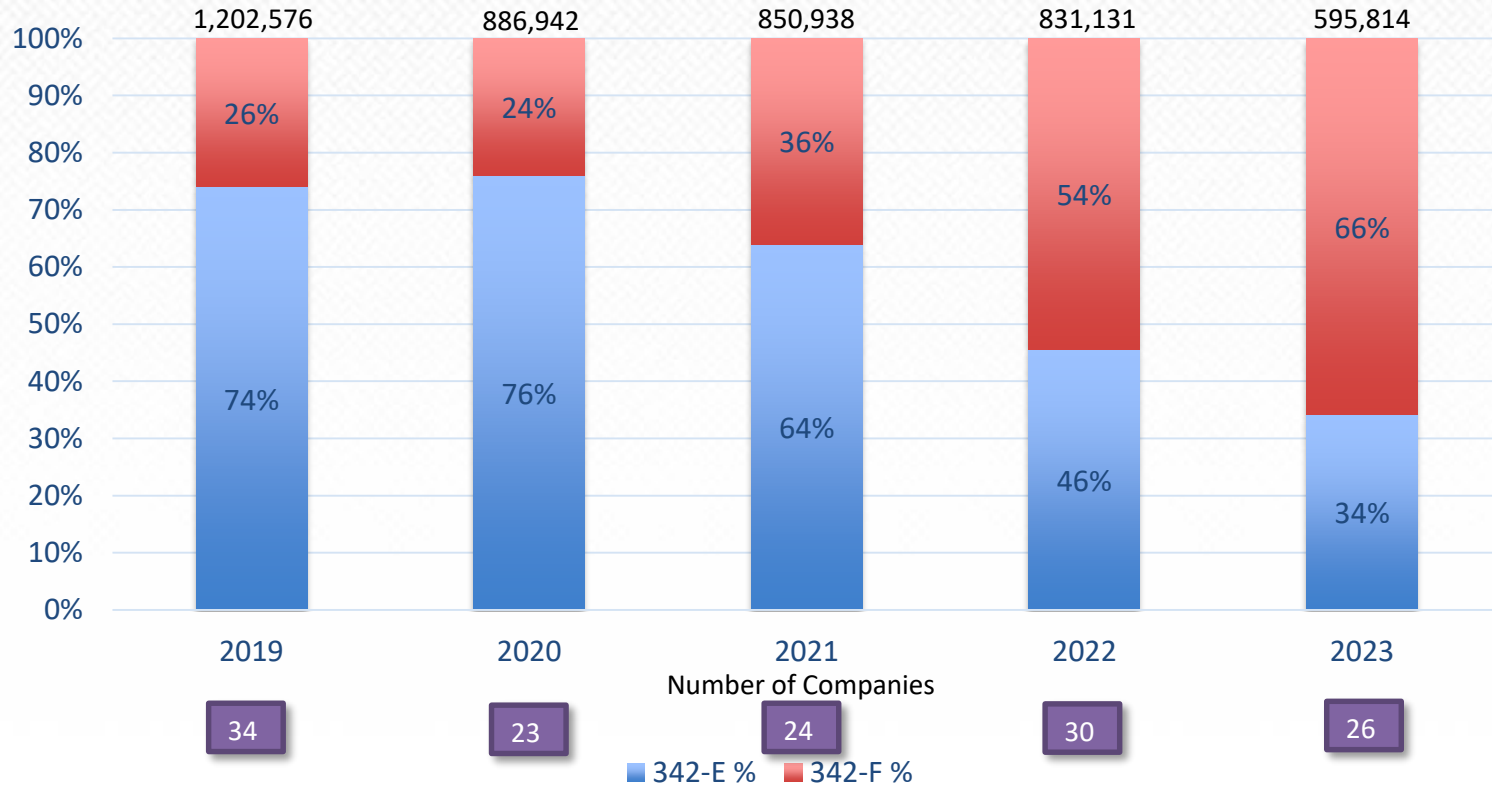
Number of Delinquent Regulated Loans*



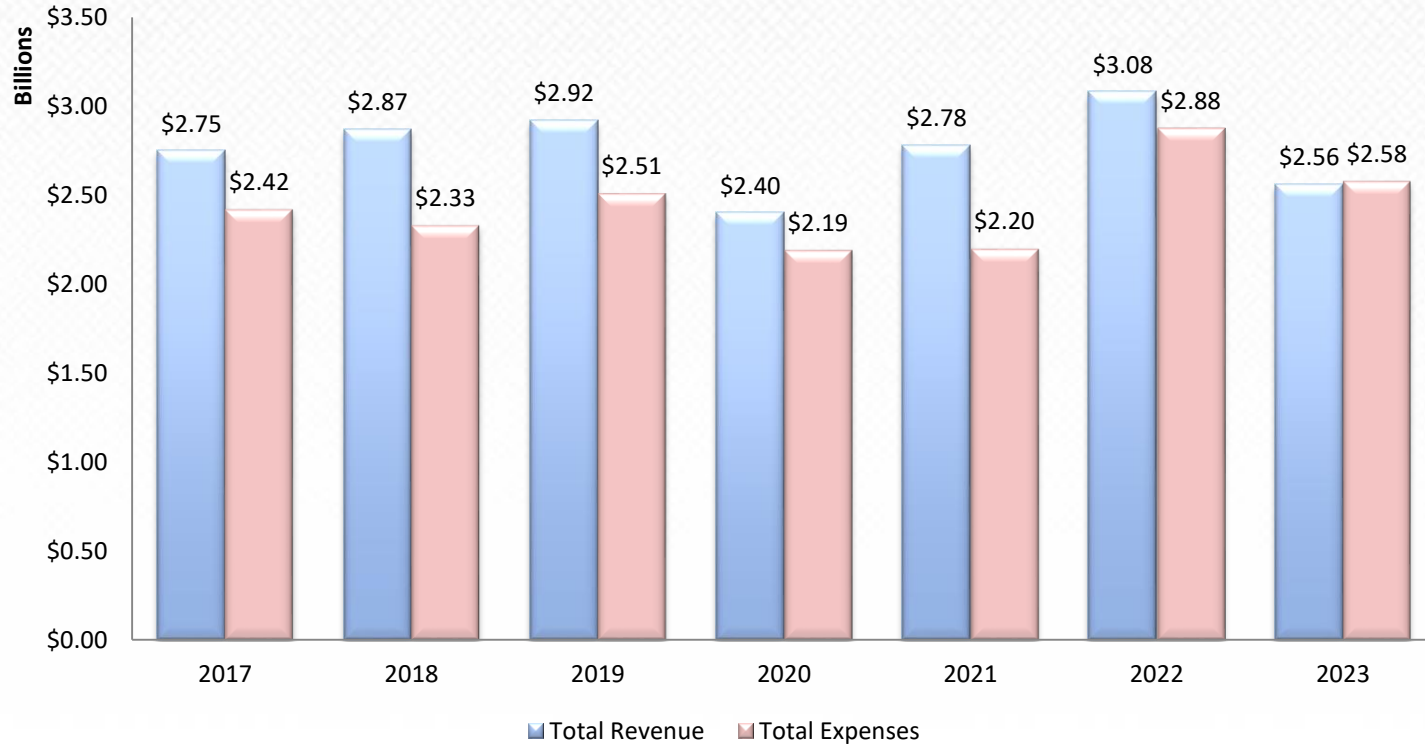
*May include other types of Regulated Loans
data as of 7/1/2024

Companies Making both 342-E and 342-F Loans

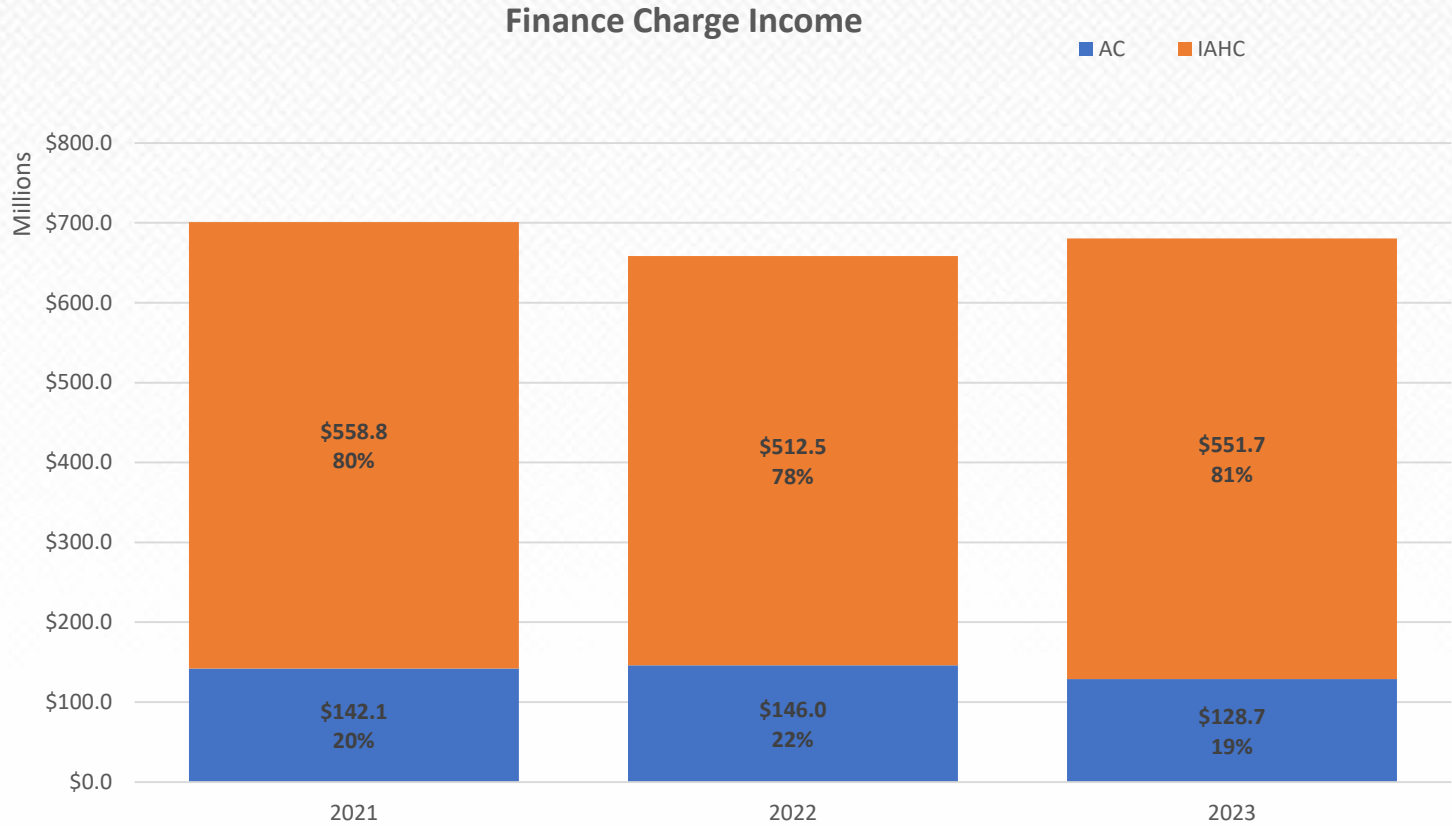
(Total loans, Percentage by Type, and Number of Companies)



Data as of 7/1/2024

Total Income (company wide)

**Data as of 7-12-2023. Includes income and expenses from all business activity.*



Data as of 7/1/2024



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