

# Texas Consumer Finance Association

June 19, 2025





Agency Update



Compliance  
Update



Data Trends





# Compliance Update

72 complaints: 9/24 – 6/25

14% decrease from prior year

Most frequent types

- Collection practices – 26%
- Payment processing – 18%
- Customer service – 14%

Lender action required – 33%

- Waive balance
- Cease contacting customer

## HB 4738 – fee cleanup

- ❖ Amends Chapter 342 Finance Code
- ❖ Repeals provision stating that \$1 of Subchapter E administrative loan fee MAY be deposited with comptroller for use in carrying out research.

## HB 27 – personal financial literacy

- ❖ Requires a half credit in personal financial literacy in Texas high schools

## SB 2610 – small business cybersecurity

- ❖ Limits system security breach liability for a business with fewer than 250 employees, if cybersecurity program conforms to industry standards (e.g., GLBA)

## HB 700 – commercial sales-based financing

- ❖ Requires disclosures for certain commercial sales-based financing transactions and the registration of commercial sales-based financing brokers

## Most common cybersecurity incidents

**66%**

Data breach



**49%**

Regulatory  
compliance  
violation



**41%**

Ransomware



**38%**

Insider risk







Organizations have become more vulnerable to the risks of ransomware because of AI-generated attacks and unrestricted lateral movement in cybersecurity.



In 2024, a study by Illumio found that average amount of currency demanded equated to \$1.2 M.



51% of the respondents in the study paid the ransom. However, only 13% of these respondents say all the impacted data was recovered.



- It took an average of 132 hours and 17.5 staff and third parties to remediate an organization's largest ransomware incident.



# Nonbank Ransomware Self- Assessment Tool (Nonbank R-SAT)

**October 15, 2024**  
**Version 2.0**

*Developed in collaboration with the Bankers Electronic Crimes Task Force, State Bank Regulators, and the United States Secret Service*

*Adapted for nonbank institutions by the Conference of State Bank Supervisors*

<https://www.csbs.org/ransomware-self-assessment-tool>





## Regulated Lenders Transition



Opens July 15, 2025



Closes September 13, 2025



Every company must transition



PLEASE do not wait until the last week

## Transition Process

### Step 1 – Create company account (MU1)

- Upload required documents, such as the Business Plan

### Step 2 – Request transition of your licenses

## Tips



#### 1) PROVIDE ACCURATE DOCUMENTS

Upload the appropriate Secretary of State (SOS) and Internal Revenue Service (IRS) documentation. The documents must be in a single PDF and must not exceed 8 MB. The system will not accept more than one PDF.

#### 2) INFORMATION MUST MATCH

Make sure that the information in the request form matches exactly as it appears on the IRS and SOS Documents. Punctuation in the request must match to the SOS documentation.



## Tips



### 3) USE THE EXACT LEGAL NAME

Companies should use the exact legal name as it appears on their legal documentation. Do not use any other trade name or "doing business as" (DBA).

### 4) ACCEPTABLE IRS DOCUMENTS

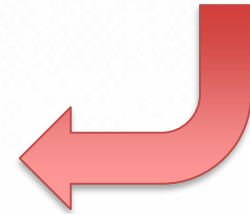
Only the SS-4 Letter, 147C letter, or Form 6166 are acceptable forms. To request a copy of the 147C letter from the IRS, contact the Business & Specialty Tax Line (800-829-4933). We can also accept a printout from the IRS website that provides the legal name and EIN.



### 5) ACCEPTABLE SOS DOCUMENTS

Examples of acceptable SOS documentation include, but are not limited to, articles of organization, certificate of existence, certificate of filing, articles of incorporation, certificate of good standing, etc.

## HOMEWORK



## Tips

### 6) SOLE PROPIETORS SHOULD USE THEIR LEGAL NAME

Sole Proprietors should use their full legal name (last, first, full middle) as the company legal name.



### 7) SOLE PROPIETORS SHOULD USE THEIR SSN CARD

The system will only allow a single PDF file to be uploaded. Combine all required documents into a single PDF file that does not exceed 8 MB.

### 8) ACCOUNT ADMINISTRATORS MUST BE DIRECT EMPLOYEES

If the company does not have direct employees, they must submit a LOE (letter of explanation) signed by an owner or executive officer that explains that the entity does not have direct employees and must list who is authorized to act as an administrator for the entity.





## Communication, Resources & Support



OCCC information emails start this week



OCCC informational webinar



[NMLS Resource Center](#)



NMLS Call Center for user support 855-665-7123

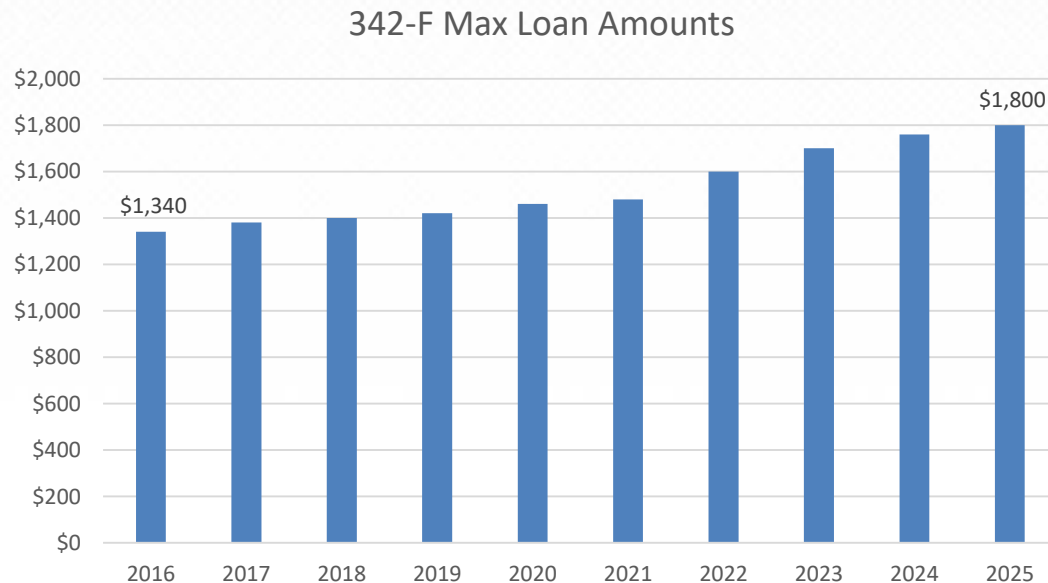


# Texas Consumer Installment Loan Data Trends

Preliminary 2024 data  
*(as of 6/1/2025)*

## 342-F Max Loan Amounts

- Increased from \$1,760 to \$1,800 (*2% yearly increase*)
- \$1,340 to \$1,800 (*34% increase since 2016*)



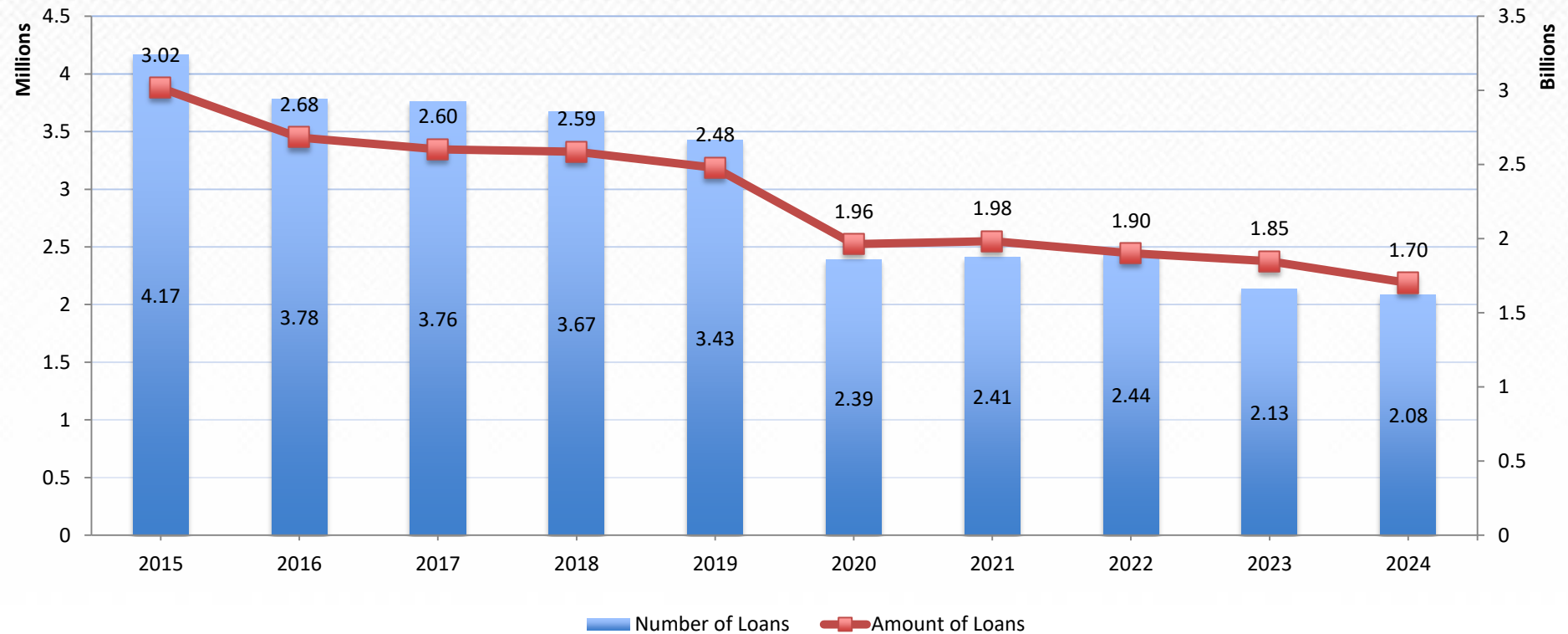


## ACQUISITION CHARGE

- 7 TAC § 83.605 rule change effective July 2024
- 12.5% or \$125, whichever is less
- Base amount of \$125 effective until 6/30/2025
- Increases are implemented based on CPI changes if increments exceed \$5.00 and in multiples of \$5.00
- CPI increase of 2.8% keeps maximum amount at **\$125** for the next year (through 6/30/2026)



## 342-F Loans Made



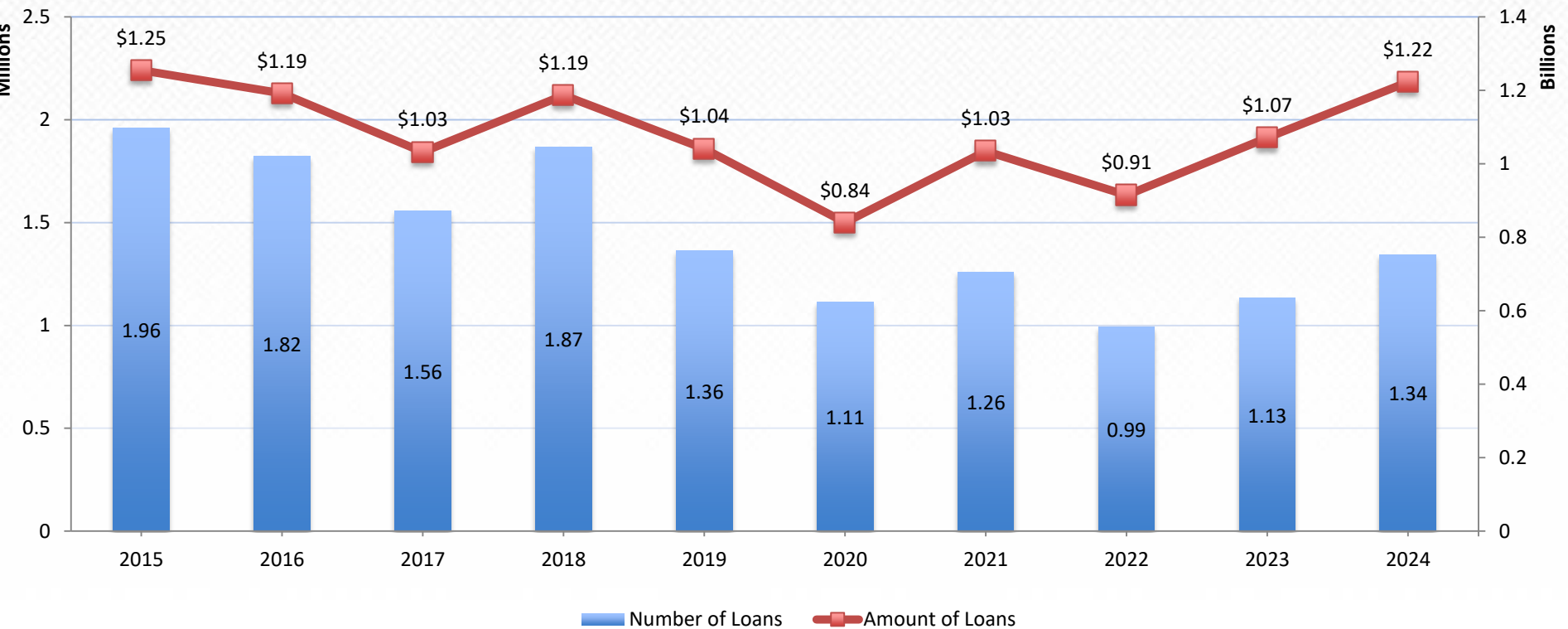
*\*Preliminary data through 6/1/2025*



TEXAS OFFICE OF CONSUMER  
CREDIT COMMISSIONER

## Historical Report Data - Small Installment Loans (342-F)

### Loans Receivable



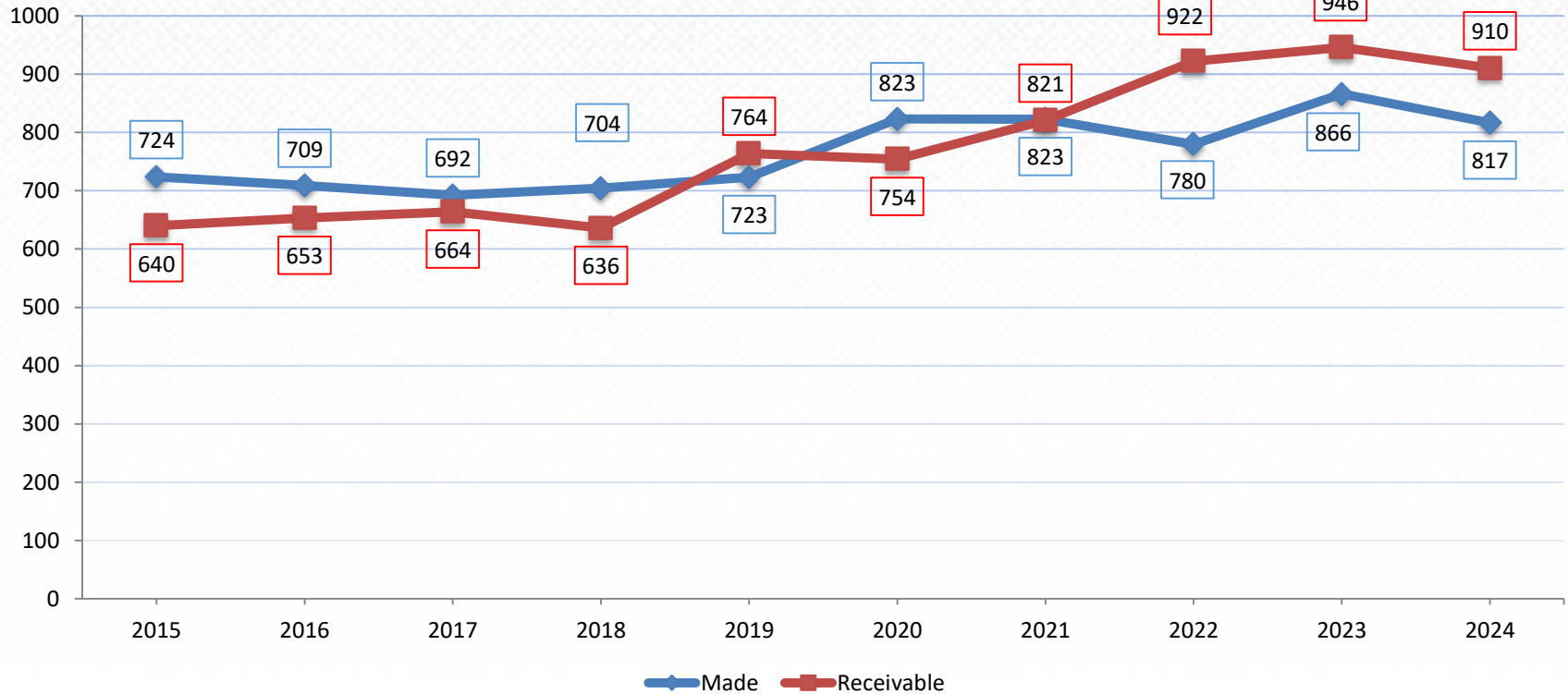
*\*Preliminary data through 6/1/2025*



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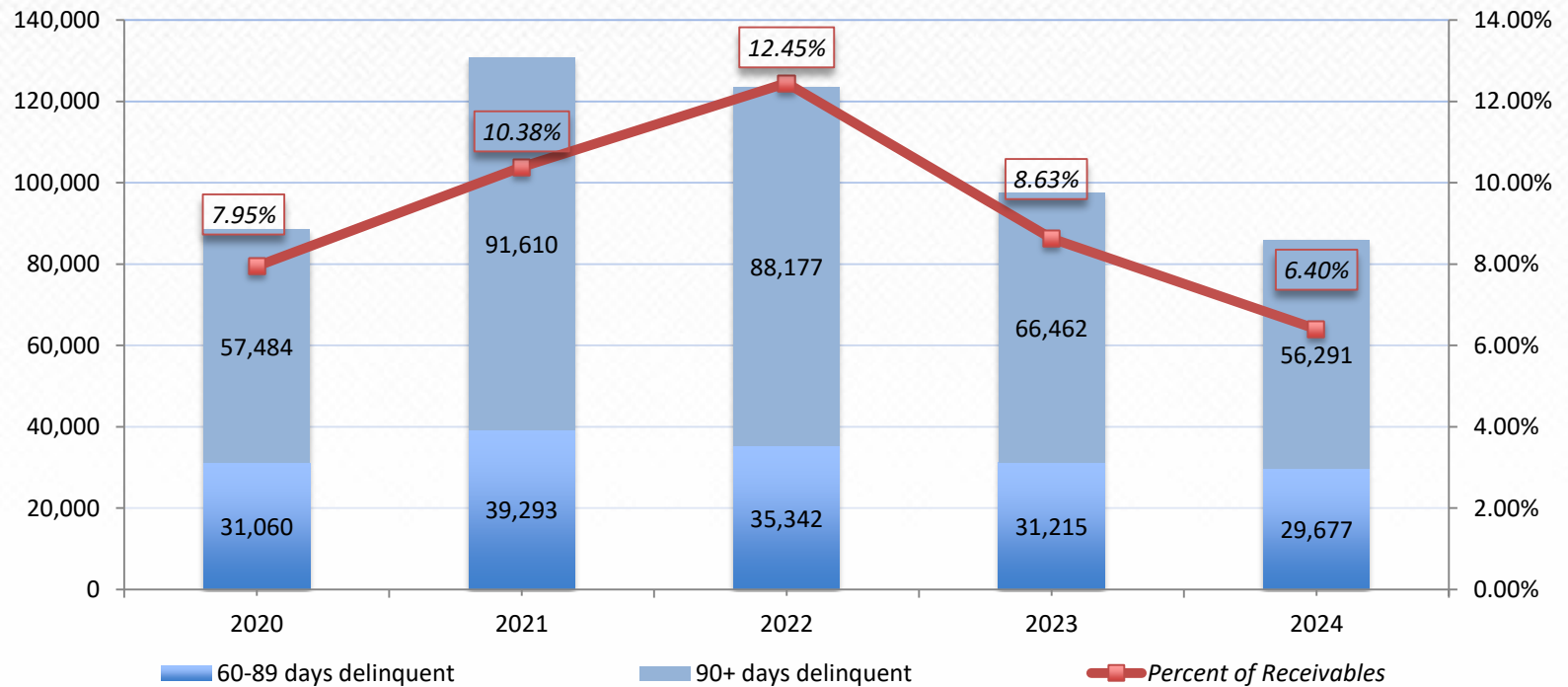
## Historical Report Data - Small Installment Loans (342-F)

### Average Amounts



\*Preliminary data through 6/1/2025

## Number of Delinquent Regulated Loans\*

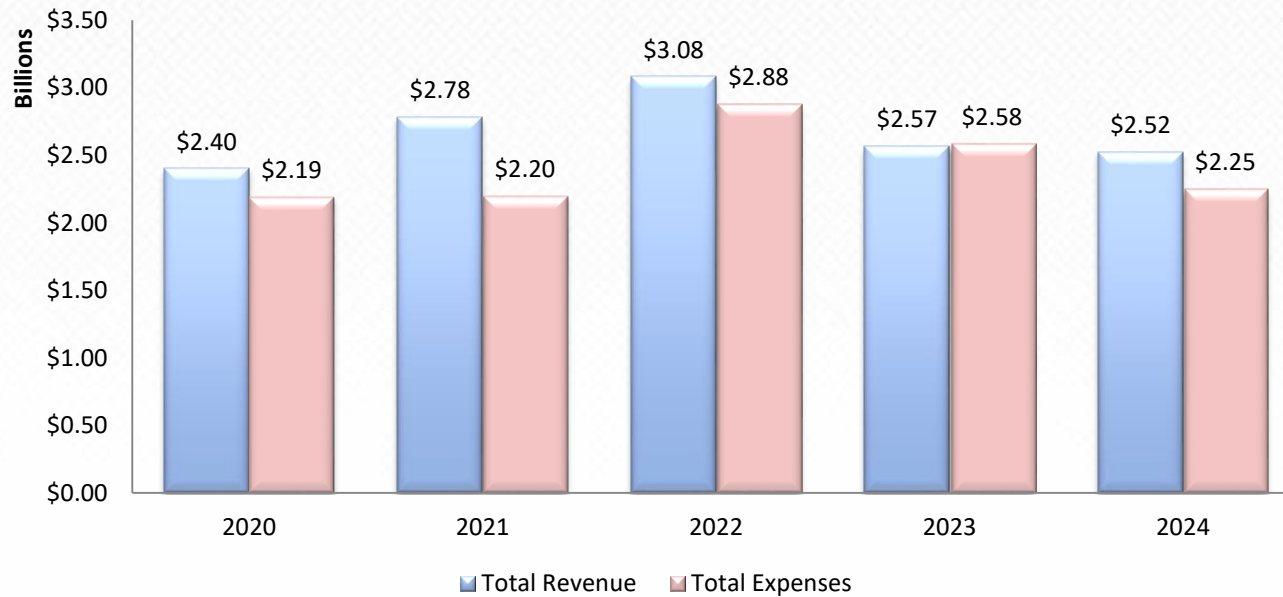


\*May include other types of Regulated Loans  
data as of 6/1/2025



## Historical Income Statement (342-F Companies)

### Total Income (company wide)



*\*Data as of 6-01-2025. Includes income and expenses from all business activity.*

