

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING CITY CODE CHAPTER 4-12 REGARDING THE REGISTRATION OF CREDIT ACCESS BUSINESSES, PROVIDING REGISTRATION REVOCATION PROCEDURES, AND AMENDING PAYMENT AND NOTICE REQUIREMENTS.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** Subsection (B) of City Code Section 4-12-11 (*Registration Application*) is amended to read as follows:

- (B) A Registrant shall notify the Director in writing no later than ~~[within]~~ 10 ~~[45]~~ days before making ~~[after]~~ any material change in its business operations, including changes to ~~[in]~~ the information contained in the application for a certificate of registration, ~~[including, but not limited to,]~~ any change of address, business ownership or equity interest, store location, type of loan products offered, operating status, bankruptcy filings, closure of a store, and any change in the status of the state license held by the applicant or registrant.

**PART 2.** City Code Chapter 4-12 is amended by adding a new Section 4-12-15 that reads as follows:

**§ 4-12-15 REVOCATION OF CERTIFICATE OF REGISTRATION**

- (A) The Director may revoke a certificate of registration if the Director determines that a person has made a false statement on an application for a certificate of registration, has made a false oral statement relating to an application for a certificate of registration, or has engaged in serious or repeated violations of this chapter.
- (B) If the Director revokes a certificate of registration, the Director shall notify the credit access business whose certificate of registration has been revoked by regular mail and by certified mail, return receipt requested, at the address on the application for a certificate of registration. If the certified letter is returned as undelivered, the Director shall notify the credit access business by providing the notice to the credit access business by hand delivery.
- (C) Not later than the 10<sup>th</sup> day after the credit access business receives notice of the revocation by the Director, the credit access business may file a notice of appeal with the Director. The notice of appeal must be in writing, describe the decision being appealed, and state the reason why the revocation should

1 be reversed. Failure to timely file the notice of appeal results in the  
2 Director's action becoming final.

3 (D) If a credit access business timely files a notice of appeal under this section,  
4 the Director's action is stayed.

5 (E) The city manager or the city manager's designee shall act as a hearing  
6 officer and hear the appeal. The formal rules of evidence do not apply at a  
7 hearing under this section.

8 (F) The hearing officer shall hold the hearing not later than the 10<sup>th</sup> day after the  
9 date the notice of appeal is filed and shall render a written decision not later  
10 than 30 days after the hearing.

11 (G) The hearing officer shall make a decision based on the preponderance of the  
12 evidence submitted and may affirm, reverse, or modify the action of the  
13 Director.

14 (H) The decision of the hearing officer is final.

15 **PART 3.** Subsection (C) of City Code Section 4-12-20 (*Maintenance of Records*) is  
16 amended to read as follows:

17 (C) A credit access business shall maintain and file [~~on a quarterly basis~~] with  
18 the Director copies, in a format prescribed by the Director, of all annual  
19 reports, quarterly reports, and all revisions and updates to those reports filed  
20 with the Texas Consumer Credit Commissioner as required by Chapter 393  
21 of the Texas Finance Code. The reports, revisions, and updates must be  
22 submitted to the City within five business days of the same being submitted  
23 to the Texas Consumer Credit Commissioner.

24 **PART 4.** A new Section 4-20-21 is created, with the existing Section 4-20-21 and  
25 subsequent sections renumbered accordingly, that reads as follows:

26 **§ 4-12-21 CONSUMER RIGHT TO COPY OF AGREEMENT**

27 A credit access business shall give to the consumer, upon request, a printed  
28 copy of a signed contract, and any other document the credit access business  
29 requires the consumer to sign.

30 **PART 5.** Subsections (D) and (E) of City Code Section 4-12-21 (*Restrictions on*  
31 *Extensions of Consumer Credit*) are amended to read as follows:

32 (D) An extension of consumer credit that a credit access business obtains for a  
33 consumer or that the credit access business assists a consumer in obtaining  
34 and that provides for repayment in installments may not be payable in more  
35 than four installments. Proceeds from each installment must be used to

1 repay at least [~~twenty-five percent (25%)~~] of the total [principal] amount of  
2 the transaction [extension of consumer credit], including the principal, fees,  
3 interest, and any other charges or costs that the consumer owes the credit  
4 access business. An extension of consumer credit that provides for  
5 repayment in installments of the principal, fees, interest, and any other  
6 charges or costs that the consumer owes the credit access business may not  
7 be refinanced or renewed.

- 8 (E) An extension of consumer credit that a credit access business obtains for a  
9 consumer or that the credit access business assists a consumer in obtaining  
10 and that provides for a single lump sum repayment may not be refinanced or  
11 renewed more than three times. The minimum payment due to refinance or  
12 renew an extension of consumer credit arranged or obtained by a credit  
13 access business must reduce by at least [~~twenty-five percent (25%)~~] the  
14 total [principal] amount of the transaction [extension of consumer credit],  
15 including the principal, fees, interest, and any other charges or costs that the  
16 consumer owes the credit access business, such that the total amount owed  
17 by the borrower [extension of credit] is paid in full after a maximum of three  
18 renewals or refinances.

19 **PART 6.** City Code Section 4-12-22 (*Referral To Consumer Credit Counseling*) is  
20 amended to read as follows:

- 21 (A) A credit access business shall provide a current form, to be prescribed by the  
22 Director, to each consumer seeking assistance in obtaining an extension of  
23 consumer credit which references non-profit agencies that provide financial  
24 education and training programs and agencies with cash assistance  
25 programs. The form will also contain information regarding extensions of  
26 consumer credit.
- 27 (B) A credit access business must conspicuously display to the public in the  
28 credit access business a poster, or other similar document as prescribed by  
29 the Director, that contains information regarding extensions of consumer  
30 credit.

**PART 7.** This ordinance takes effect on \_\_\_\_\_, 2015.

**PASSED AND APPROVED**

\_\_\_\_\_, 2015      § \_\_\_\_\_  
Steve Adler  
Mayor

**APPROVED:** \_\_\_\_\_ **ATTEST:** \_\_\_\_\_  
Anne L. Morgan      Jannette S. Goodall  
City Attorney      City Clerk