

FINANCE CODE

TITLE 4. REGULATION OF INTEREST, LOANS, AND FINANCED TRANSACTIONS

SUBTITLE A. INTEREST

CHAPTER 339. MISCELLANEOUS PROVISIONS RELATING TO INTEREST

Sec. 339.002. BILLING CYCLE INTEREST LIMITATION ON OPEN-END ACCOUNT WITHOUT MERCHANT DISCOUNT. (a) This section applies to an open-end account agreement that provides for credit card transactions:

(1) in which the creditor relies on one of the ceilings authorized by Chapter 303 for the rate of interest; and

(2) in connection with which the creditor does not impose or receive a merchant discount.

(b) Interest or time price differential may not be charged for a billing cycle of an open-end account credit agreement if:

(1) the total amount of the obligor's payments during the cycle equal or exceed the balance owed under the agreement at the end of the preceding billing cycle; or

(2) an amount is not owed under the agreement at the end of the preceding billing cycle.

Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.18(a), eff. Sept. 1, 1999.

Sec. 339.003. SALE OF OPEN-END ACCOUNT WITHOUT MERCHANT DISCOUNT. A seller or lessor may sell an open-end account credit agreement described by Section 339.002(a) or any balance under that agreement to a purchaser who purchases a substantial part of the seller's or lessor's open-end account credit agreements or balances under those agreements in accordance with Subchapter G, Chapter 345. A charge, fee, or discount on that sale:

(1) is not a merchant discount;

(2) does not disqualify the open-end account credit agreement or a balance under that agreement from being subject to Chapter 303 or from coverage under this section; and

(3) does not subject the account to the limitations provided by Section 303.006(c).

Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.18(a), eff. Sept. 1,

1999.

Sec. 339.004. APPLICATION OF LICENSING REQUIREMENT AND SUBTITLE B TO CREDIT UNION OR EMPLOYEE BENEFIT PLAN. (a) A credit union is not subject to Subtitle B and is not required to obtain a license under this title.

(b) With respect to a loan that an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. Sections 1001-1114) makes to a participant in the plan or a participant's beneficiary, the plan is not subject to Subtitle B and is not required to obtain a license under this title.

Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.18(a), eff. Sept. 1, 1999.

Sec. 339.005. APPLICABILITY OF CERTAIN FEDERAL LAW. This title does not override or restrict the applicability of 12 U.S.C. Section 1735f-7a.

Added by Acts 2001, 77th Leg., ch. 916, Sec. 9, eff. Sept. 1, 2001.