



Regulations Relating to Credit Access Businesses in the City of Temple

City of Temple, TX

Chapter 41 (www.templetx.gov/CAB)

Credit Access Businesses Regulation (also known as payday lenders, cash advance, title loan, etc.)

RECORDS

All CAB's are required under the regulations to maintain specific records:

A complete set of records for all extensions of credit; including

- The customer's name and address
- The principal amount of cash actually advanced (how much is borrowed)
- The length of the extension of credit, including all installments and renewals
- The fees charged by the CAB to arrange or obtain the extension of credit, and
- Documentation used to establish the consumer's income under section 41-12 of the ordinance.

ACCESS TO FINANCIAL EDUCATION AND CASH ASSISTANCE PROGRAMS

Per the new ordinance at the City of Temple, customers are required to be provided the following information regarding Referral to Consumer Credit Counseling; more information and resources regarding these services may be accessed by calling 211 or via www.211texas.org:

Local Organizations that provide financial education and training programs

- NeighborWorks Waco – Temple Office
- United Way Central Texas
- Helping Hands Belton
- Goodwill Learning Center

Local organizations that provide cash assistance programs

- Temple HELP Center
- Killeen HELP Center
- Helping Hands Belton
- St. Vincent DePaul Temple

CONSUMER PROTECTIONS

The new ordinance makes the following rules regarding these specific types of short-term loans: (please refer to online ordinance at www.templetx.gov/CAB for specific details)

The cash advance, extension of consumer credit, may not exceed 20% of your gross monthly income (your total income prior to any taxes/bills/payments removed from the amount you are paid, from any source).

The cash advance, extension of consumer credit, in the form of a motor vehicle title loan, may not exceed the lesser of:

1. 3% of your gross annual income; or
2. 70% of the retail value of the motor vehicle.

The Credit Access Business will use a paycheck or other documentation establishing your income to determine your income and therefore the amount of credit that can be made available.

If your repayment to the CAB includes installment payments, there may be NO more than four (4) installments.

- Each installment payment must repay at least 25% of the principal amount of the cash advance, extension of credit.

If your repayment is a single lump sum; the repayment may NOT be refinanced or renewed more than three (3) times.

- Proceeds from each instance of refinancing or renewing must be used to repay at least 25% of the principal amount of the original extension of credit.

If you obtain an extension of consumer credit within seven (7) days of paying off a previous extension of credit; it will be considered a refinancing or renewal per the terms of this ordinance.

Every agreement between you and the CAB must be written in the language of your choice.

The CAB is required to have agreements in English and Spanish, on premises, ready to be used with customers.

If you cannot read, every agreement must be read to you, in its entirety (including all disclosures and notices required by law), in your language of preference prior to being signed.

FILING A COMPLAINT

If you believe that the CAB has violated any part of the ordinance you may contact the City of Temple to report the alleged violation:

www.templetx.gov/CAB/complaint

Division of General Services: 254-298-5997

To file a complaint (online or over the phone), you will need to submit your name, contact information, business name and address (about which you are alleging a violation of the Ordinance), and a brief explanation of what occurred. This information will be collected by the Division of General Services and forwarded to the City Attorney's Office for investigation.