

Department of Development Services

Building Inspection Division

401 N. Elm St.
Denton, Texas 76201
(940) 349-8360
www.CityofDenton.com

The City of Denton passed an ordinance on April 9, 2013 regulating Credit Access Businesses. This packet is a courtesy in order to provide you with the necessary information answer questions and to aid in implementing the regulations. The City makes every effort to be good stewards to the community and to assist our business owners in compliance with the municipal code. This is an attempt to provide information to all of the credit access types business we are aware of. However, it is not possible to contact every Credit Access business conducting business in Denton, so please share this with any other persons which may have interest.

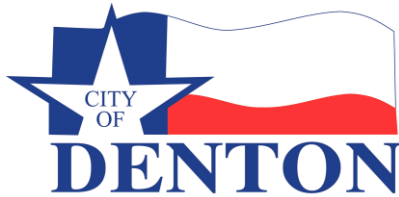
If you should have any questions please contact Department of Development Services, Building Inspection Division which is located at 401 N. Elm St., Denton, Texas 76201 or by phone (940) 349-8360, or email Building@cityofdenton.com

Information is also available on the Department's website <https://www.cityofdenton.com/en-us/business/permits-licenses>

Sincerely,

A handwritten signature in black ink that reads "Scott A. McDonald". The signature is written in a cursive style with a large, looping initial "S".

Scott A. McDonald
Director of Development Services / Chief Building Official



Department of Development Services

Building Inspection Division

401 N. Elm St.
Denton, Texas 76201
(940) 349-8360

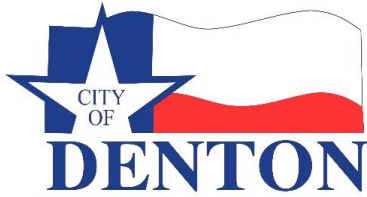
www.cityofdenton.com

Are you prepared for your Annual Registration?

Registration Application

➤ **To obtain a certificate of registration for a credit access business, a person must submit an application on a form provided for that purpose to the Building Inspection Division. The application must contain the following:**

- The name, street address, mailing address, fax number, and telephone number of the applicant.
- The business or trade name, street address, mailing address, fax number, and telephone number of the credit access business.
- The names, street addresses, mailing addresses, and telephone numbers of all owners of the credit access business, and the nature and extent of each person's interest in the credit access business.
- A copy of a current, valid state license held by the credit access business agreeable to Chapter 393, Subchapter G of the Texas Finance Code.
- A copy of a current, valid certificate of occupancy showing that the credit access business is in compliance with this City of Denton Municipal Code.
- A non-refundable annual application fee of \$50.00. This fee is due for both an original application and a renewal.
- A certificate of registration may be renewed by making application and payment renewal fee of \$50.00 A Registrant shall apply for renewal at least 30 days before the expiration of registration.
- An application or registrant shall notify Building Inspection Division within 45 days after any change of the information contained in the application for a Certificate of Registration, including, but not limited to, any change of address and may change in the status of the state license held by the applicant or registrant.



Department of Development Services

Building Inspection Division

401 N. Elm St.
Denton, Texas 76201
(940) 349-8360

www.cityofdenton.com

The City of Denton Municipal Code has been amended for the purpose of protecting the welfare of citizens of the City by monitoring credit service organizations in an effort to reduce abusive and predatory lending practices. This bulletin:

- Outlines the registration program for credit service organizations,
- Restricts loans or renewals made by credit service organizations,
- Establishes minimum recordkeeping requirements on credit service organizations.

Definitions:

Consumer: An individual who is solicited to purchase or who purchases the services of a credit access business

Registration Application

The Department of Building Inspections shall issue a certificate of registration for a credit access business only when an applicant has submitted the following:

- A completed Application of Annual Registration form.
- A copy of a current, valid state license held by the credit service organization.
- A copy of a current, valid certificate of occupancy showing that the organization is in compliance with the Code of Ordinances.
- An application fee of \$50.00.

The Building Inspection Division must be notified within 45 days after any changes are made of the information submitted in the Application of Annual Registration. This includes, but is not limited to, any change of address or any change in the status of the state license held by the applicant.

Issuance and Display of Certificate of Registration

A certificate of registration for a credit access business must be clearly displayed to the public in the business.

Non-transferability

A certificate of registration is not transferable to any individual, corporation, organization, partnership, association, financial institution or any other legal entity.

Restrictions on Extension of Consumer Credit

The cash advanced under a line of credit or an extending of credit that a credit access business obtains for a consumer in the form of a payday loan may not exceed twenty percent (20%) of the consumer's gross monthly income.

The cash advanced under a line of credit or an extending of credit that a credit access business obtains for a consumer in the form of a motor vehicle title loan may not exceed the lesser of:

- Three percent (3%) of the consumer's gross annual income; or
- 70 percent (70%) of the retail value of the motor vehicle

A credit access business shall retain a copy of one or more of the following documents used to determine a consumer's income:

- A paycheck issued to the consumer, or
- Other documentation establishing income.

A line of credit that allows repayment in installments may not be refinanced or renewed and may not allow payment in more than four installments. Each installment must be used to repay at least 25 percent of the principal amount.

A line of credit that provides for a single lump sum repayment may not be refinanced or renewed more than three times. Proceeds from each refinancing or renewal must be used to repay at least 25 percent of the principal amount. A line of credit that is granted to a consumer within seven (7) days after a previous line of credit has been paid will constitute a renewal.

Requirement of Consumer Understanding of Agreement

Every agreement between the credit access business and a consumer evidencing the making or renewal of any loan, each required notice, disclosure, and other forms must be available at that location. For a consumer who cannot read, these must be read orally to the consumer.

Maintenance of Records

A credit access business shall maintain a complete set of records of all loans arranged by the business, whether an original transaction, refinancing, and renewal of a loan. Records must include the following information:

- The name and address of the consumer.
- The principal amount of cash actually advanced.
- The length of the line of credit, including the number of installments and renewals.
- The fees charged by the business to arrange line of credit; and
- The documentation used to establish a consumer's income.

A credit access business shall maintain a copy of each written agreement between the business and a consumer evidencing an extension of consumer credit.

A business shall maintain copies of all quarterly reports filed with the Texas Consumer Credit Commissioner.

The records required to be maintained by a business must be retained for at least three years after the date an extension of credit expires, terminates, or is cancelled. Such records shall be made available for inspection upon request during regular business hours at the business location.

Referral to Consumer Credit Counseling

The credit access business should provide a form, established by the Building Inspection Division, to each consumer seeking assistance in obtaining a line of credit or renewal, which references non-profit organizations that provide financial education, training programs, and cash assistance programs.



Department of Development Services Building Inspection Division

401 N. Elm St.
Denton, Texas 76201
(940) 349-8360

www.CityofDenton.com

Please read the information on this form. This information will enable you to become familiar with selected sections of the City of Denton Municipal Code concerning Credit Access Businesses. Additionally, this form provides a listing of local non-profit agencies who provide FREE financial education and training programs and agencies with cash assistance programs.

Credit Access Businesses are encouraged to provide this informational form to those seeking assistance in obtaining an extension of consumer credit.

Maintenance of Records

- a) A credit access business shall maintain a complete set of records of all extensions of consumer credit arranged or obtained by the credit access business, whether an original transaction or refinancing or renewal of an extension of consumer credit which must include the following information:
 - (1) The name and address of the consumer.
 - (2) The principal amount of cash actually advanced.
 - (3) The documentation used to establish a consumer's income under Section 11.
- b) A credit access business shall maintain a copy of each written agreement between credit access business and a consumer evidencing an extension of consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer).
- c) A credit access business shall maintain copies of all quarterly reports filed with the Texas Consumer Credit Commissioner under Section 393.627 of the Texas Finance Code, as amended
- d) The records required to be maintained by a credit access business under this section must be retained for at least three years and made available for inspection by the city upon request during the usual and customary business hours of the credit access business.

Restrictions on Extension of Consumer Credit.

- a) The cash advanced under an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a deferred presentment transaction may not exceed twenty percent (20%) of the consumer's gross monthly income.
- b) The cash advanced under an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a motor vehicle title loan may not exceed the lesser of:
 - (1) Three percent (3%) of the consumer's gross annual income: or
 - (2) 70 percent (70%) of the retail value of the motor vehicle.
- c) A credit access business shall use a paycheck or other documentation establishing income to determine a consumer's income.
- d) An extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining and that provides for repayment in installments may not be payable in more than four installments. Proceeds from each installment must be used to repay at least 25 percent of the principal amount of the extension of consumer credit. An extension of consumer credit that provides for repayment in installments may not be refinanced or renewed.
- e) An extension of consumer credit that a credit access business obtains for a consumer or

assists a consumer in obtaining and that provides for a single lump sum repayment may not be refinanced or renewed more than three times. Proceeds from each refinancing or renewal must be used to repay at least 25 percent of the principal amount of the original extension of consumer credit.

- f) For purposes of this section, an extension of consumer credit that is made to a consumer within seven days after a previous extension of consumer credit has been paid by the consumer will constitute are financing or renewal.

CONSUMER CREDIT INFORMATION

THIS FORM IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO BE AN ENDORSEMENT OF ANY PROGRAM OR ENTITY.

EDUCATION AND TRAINING

OFFICE OF THE CONSUMER CREDIT COMMISSIONER / CONSUMER HELPLINE Phone: (800) 538-1579
<http://www.occ.state.tx.us/pages/consumer/Index.html>

NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION (NEFE)
www.nefe.org

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)
www.feedthepig.org

TEXAS ATTORNEY GENERAL – CONSUMER PROTECTION DIVISION PO Box 12548
Austin, TX 78711-2548
<https://www.texasattorneygeneral.gov/consumer/complain.shtml>

TEXAS OFFICE OF THE CONSUMER CREDIT COMMISSIONER
2601 N. Lamar Blvd. Austin, TX 78705
Consumer Helpline (800) 538-1579
www.occ.state.tx.us

211 TEXAS (Provides free information and referral assistance 24 hours a day, seven days a week)
<https://www.211texas.org/cms/>

If you need additional information or have questions, Visit:

Department of Development Services

Building Inspection Division

401 N. Elm St

Denton, TX 76201

Email: building@cityofdenton.com

Call: (940) 349-8360 (Monday-Friday, 8:00 AM- 5:00 PM)

Website: <https://www.cityofdenton.com/en-us/business/permits-licenses>



City of Denton
Application for Annual Certificate of Registration

CREDIT ACCESS BUSINESS

SECTION I. APPLICANT AND BUSINESS INFORMATION

BUSINESS OR TRADE NAME: _____

BUSINESS STREET ADDRESS: _____

MAILING ADDRESS FOR BUSINESS: _____

CONTACT NAME: _____

FAX NUMBER: _____ PHONE NUMBER: _____

EMAIL: _____

APPLICANT NAME: _____

STREET ADDRESS: _____

MAILING ADDRESS FOR BUSINESS: _____

FAX NUMBER: _____ PHONE NUMBER: _____

SECTION II. REGISTRANT BUSINESS OWNER(S): Includes all owners of the credit access business and other persons with financial interest in the credit access business and the nature and extent of each person's interest in the credit access business (use more sheets as needed)

A) BUSINESS OWNER INFORMATION

BUSINESS OWNER NAME: _____ TELEPHONE: _____

TITLE: _____ NATURE & EXTENT OF INTEREST: _____

STREET ADDRESS: _____ MAILING ADDRESS: _____

FAX NUMBER: _____ EMAIL: _____

B) BUSINESS OWNER INFORMATION

BUSINESS OWNER NAME: _____ TELEPHONE: _____
STREET ADDRESS: _____ MAILING ADDRESS: _____

C) BUSINESS OWNER INFORMATION

BUSINESS OWNER NAME: _____ TELEPHONE: _____
STREET ADDRESS: _____ MAILING ADDRESS: _____

D) BUSINESS OWNER INFORMATION

BUSINESS OWNER NAME: _____ TELEPHONE: _____
STREET ADDRESS: _____ MAILING ADDRESS: _____

SECTION III. APPLICANT

APPLICANT:

I HEREBY CERTIFY AS THE OWNER OR OWNERS' AUTHORIZED AGENT TO MAKE THIS APPLICATION, AND I AGREE TO CONFORM TO ALL APPLICABLE LAWS OF THE STATE OF TEXAS AND THE CITY OF DENTON. ALL INFORMATION SUBMITTED ON THIS APPLICATION IS ACCURATE TO THE BEST OF MY KNOWLEDGE.

APPLICANT IS RESPONSIBLE FOR THE PAYMENT OF ALL FEES AND CHARGES APPLICABLE TO THIS APPLICATION. THE ANNUAL REGISTRATION FEE REQUIREMENT FOR A CREDIT ACCESS BUSINESS IS FIFTY DOLLARS (\$50.00). THE APPLICABLE CERTIFICATE OF REGISTRATION FEE, PAYABLE TO THE CITY OF DENTON, TEXAS, MUST BE REMITTED WITH SUBMISSION OF THIS APPLICATION ALONG WITH (1) A COPY OF THE CURRENT VALID STATE CREDIT ACCESS BUSINESS LICENSE FOR THE NAMED LOCATION; AND (2) A COPY OF A CURRENT, VALID CERTIFICATE OF OCCUPANCY SHOWING THAT THE CREDIT ACCESS BUSINESS IS IN COMPLIANCE WITH THE DENTON MUNICIPAL CODE

A REGISTRANT/APPLICANT SHALL APPLY FOR RENEWAL AT LEAST 30 DAYS BEFORE THE EXPIRATION OF THE REGISTRATION.

AN APPLICANT OR REGISTRANT SHALL NOTIFY BUILDING INSPECTIONS WITHIN 45 DAYS AFTER ANY MATERIAL CHANGE IN THE INFORMATION CONTAINED IN THE APPLICATION FOR A CERTIFICATE OF REGISTRATION, INCLUDING, BUT NOT LIMITED TO, ANY CHANGE OF ADDRESS AND ANY CHANGE IN THE STATUS OF THE STATE LICENSE HELD BY THE APPLICANT.

THE ABOVE INFORMATION SUBMITTED IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

NON-REFUNDABLE APPLICATION FEE \$ 50.00

SIGNATURE AND DATE

RETURN APPLICATION AND LICENSE FEE TO:

CITY OF DENTON
BUILDING INSPECTIONS
401 N. Elm St.
DENTON, TX 76201

Phone (940) 349-8360

Email Building@cityofdenton.com

Fax 940-349-7208

DATE FILED: _____

PERMIT #: _____