



September 30, 2015

Ms. Laurie Hobbs
Assistant General Counsel
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

Re: Texas proposed amendments to 7 TAC Ch. 84 – motor vehicle installment sales

Dear Ms. Hobbs:

On behalf of the American Financial Services Association (“AFSA”),¹ thank you for providing us with the opportunity to comment on the Finance Commission of Texas’ (“Commission”) proposed amendments to 7 TAC Chapter 84 concerning motor vehicle installment sales (published in *Texas Register* Vol. 40, No. 36). We appreciate the Commission’s consideration of our precomments regarding the draft proposed amendments and the revisions made to the proposal to address some of our concerns. Specifically, clarifying that the required Flesch-Kincaid Grade Level Score of the contract can be based on Microsoft Word’s readability statistics function and permitting licensees to use the prior model contract language until December 31, 2016.

We further believe the proposed model contract for motor vehicle retail installment sales (proposed Figure 7 TAC § 84.809(b)) should be amended to include language for obtaining the consumer’s prior express consent to receive text messages or cell phone calls for account servicing and collection, consistent with the Telephone Consumer Protection Act (“TCPA”).²

AFSA members contact their customers for a variety of reasons – to tell the customer that there is a fraud alert on an account, a payment is due, a work-out plan is available, or with some other account servicing message. The most expedient and effective way to reach many of customers is to call, e-mail, or text them on their cell phones, especially if they travel or work out of town and may not receive mail for a period of time. If it is not the only way to reach the customer, it is often the way that a customer prefers to be contacted. For these reasons, we suggest the inclusion of the following language in the model contract:

“Servicing and Collection Contacts: I agree that you may try to contact me in writing, by e-mail, or using prerecorded/artificial voice messages, text messages, and automatic telephone dialing systems, as the law allows. I also agree that you may try to contact me in these and

¹ Founded in 1916, the American Financial Services Association (AFSA) is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including mortgages, payment cards, retail sales finance, traditional installment loans, and vehicle financing/leasing. AFSA members do not provide payday or vehicle title loans. AFSA is based in Washington, D.C.

² 47 U.S.C. § 227

other ways at any address or telephone number I provide you, even if the telephone number is a cell phone number or the contact results in a charge to me.”

Thank you in advance for your consideration of our suggestions. If you have any questions or would like to discuss this further, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

Danielle Fagre Arlowe
Senior Vice President, State Government Affairs
American Financial Services Association
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