



March 19, 2020

Commissioner Leslie Pettijohn
Office of Consumer Credit Commissioner
2601 North Lamar Blvd.
Austin, TX 78705

Dear Commissioner Pettijohn,

In light of the coronavirus crisis hitting Texas, we are asking you to provide guidance to licensees to ensure that licensee practices in this difficult time support the wellbeing of Texas consumers and families. Our member organizations, networks, and churches are working on the frontlines of this crisis, supporting the needs of families with the resources and tools that we have, but in a crisis of this nature, we cannot hold all of that burden.

Federal regulators are adopting policies as we speak to suspend student loan interest charges,¹ place moratoriums on foreclosures and evictions related to certain home mortgage loans,² and a call on regulated institutions to meet financial services needs of customers in a prudent manner,³ to help families weather the uncertain times ahead.

We are already seeing Texans laid off from jobs, part of a national surge in unemployment due to the changing business environment.⁴ As we brace for the unpredictable weeks and possibly months ahead, it is essential to the stability of families and creditors that state-licensed creditors take steps to accommodate the changing financial situation. **Mass defaults, accruing penalty fees, and car repossessions are neither in the interest of the long-term financial stability of Texas families nor in the long-term financial viability of OCCC licensees.**

To that end, we recommend that the Office of Consumer Credit Commissioner provide guidance in support, and where possible, mandate, the following:

¹ [President Donald J. Trump Has Mobilized Full Resources of the Federal Government to Respond to Coronavirus](#), The White House (March 13, 2020).

² See: <https://www.fanniemae.com/portal/media/corporate-news/2020/covid-homeowner-assistance-options-7000.html>; <https://freddiemac.gcs-web.com/news-releases/news-release-details/freddie-mac-announces-enhanced-relief-borrowers-impacted-covid>; and https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_042.

³ <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200309a.htm>.

⁴ [Coronavirus Layoffs Surge Across America, Overwhelming Unemployment Offices](#), *Politico* (March 17, 2020). The article lists [Texans among states with dangerously low reserves](#).

1. Direct licensees to work with borrowers experiencing a financial shortfall due to the coronavirus by suspending full or partial payments and interest, waiving any associated penalty fees, and establishing an affordable pathway to catch up on missed payments;
2. Loans or refinances of loans, where the borrower has paid amounts, including associated fees, that exceed the original loan amount, should be deemed paid in full;
3. There should be a moratorium on vehicle repossessions at least for the next 60 days, and longer as appropriate, and an affordable process to allow families to catch up on required payments;
4. There should be a moratorium on attempting to collect a deferred presentment in cases where a scheduled payment is missed at least for 60 days, and longer as appropriate;
5. In cases where payments are scheduled through ACH or debit authorizations, there should be a prohibition on resubmission if the initial payment is rejected due to nonsufficient funds and any applicable fees should be waived at least for the next 60 days, and longer as appropriate; and
6. Debt collection actions and any negative credit reporting should cease at least for the next four months, and longer as appropriate, for borrowers experiencing a financial short-fall due to the coronavirus pandemic;

These provisions are substantially similar to federal policies and recommendations that have been adopted or are under consideration and are warranted due to the current state of emergency in Texas. They are meant to stave off a peak in failing loans and create a time period for families to recover financially, which is a win-win for lenders and borrowers alike.

We appreciate your consideration of this proposal. We look forward to your response and hope to see important guidance in support of the financial wellbeing of Texas families.

Sincerely,

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