



MOTOR VEHICLE ADVISORY BULLETIN

Documentary Fee Towable Recreation Vehicle

Texas Finance Code §348.007 allows a Chapter 348 licensee to sell a "towable recreation vehicle" under a Chapter 348 retail installment contract instead of a Chapter 345 retail installment contract. This exception allows the Chapter 348 licensee the option to choose to document the sale of a "towable recreation vehicle" under a retail installment contract using the provisions of either Chapter 345 or 348. A "towable recreation vehicle" is defined as a "good" under Texas Finance Code §345.002 and a retail seller would normally be obligated to accept the cash price over time under a Chapter 345 retail installment contract.¹

The Texas Legislature passed House Bill 3621 during the last legislative session. House Bill 3621 amends Chapter 348 of the Texas Finance Code by modifying the limitations on a documentary fee for motor vehicle installment sales transactions. As of September 1, 2009, the \$50 maximum amount for a documentary fee is repealed and the documentary fee may now be negotiated between the retail buyer and retail seller. The documentary fee must be "reasonable" and the Office of Consumer Credit Commissioner may review the documentary fee for reasonableness.

A Chapter 348 licensee who is selling a "towable recreation vehicle" in a retail installment contract subject to Chapter 348 after September 1, 2009 may take advantage of the documentary fee under House Bill 3621, if the transaction is documented under Chapter 348. The Chapter 348 licensee may not sell the "towable recreation vehicle" under a Chapter 345 retail installment contract and use the Chapter 348 documentary fee that is authorized under House Bill 3621.

A Chapter 345 registrant who does not hold a Chapter 348 license and who sells a "towable recreation vehicle" may only contract for a documentary fee under Chapter 345. A Chapter 348 license is required in order to take advantage of the Chapter 348 documentary fee for the sale and financing of a "towable recreation vehicle."

¹ The maximum documentary fee under Chapter 345 is \$50 (§345.251).