

CHAPTER 797

H.B. No. 1632

AN ACT

relating to disclosures by certain financial institutions.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. DISCLOSURES BY UNINSURED INSTITUTIONS. If a financial institution accepts deposits from the general public and the financial institution's deposits are

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not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, the financial institution may not represent that the deposits are federally insured. The contract between the financial institution and any person for deposits or investment of money must state the following in at least 10-point boldfaced type: "NOTICE TO PURCHASER: DEPOSITS AT THIS INSTITUTION ARE NOT INSURED BY ANY AGENCY OF THE FEDERAL GOVERNMENT." This Act does not apply to credit unions whose deposits or shares are insured or guaranteed in accordance with the Texas Credit Union Act (Article 2461-1.01 et seq., Vernon's Texas Civil Statutes).

SECTION 2. CAUSE OF ACTION. (a) A violation of this Act is a false, misleading, or deceptive act or practice under Chapter 17, Business & Commerce Code.

(b) Any waiver of the provisions of this Act is unenforceable and void as contrary to public policy.

SECTION 3. EFFECTIVE DATE. This Act takes effect September 1, 1987.

SECTION 4. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on April 30, 1987, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1632 on May 27, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 25, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 19, 1987.

Effective Sept. 1, 1987.