

Loan Category	Annual Interest Rate Ceiling (Maximum/Minimum)	Penalties for Simple Usury	Penalty for Interest in Excess of Twice Amount Authorized by Law	Charges Statutorily Excluded from Definition of Interest	Assumption or Guaranty of Third Party Loan	Late Charges	Federal Preemption
Loans for Personal, Family, or Household Uses	18%/24% Tex. Fin. Code §§ 303.001 & 303.009(b)	Greater of (a) three times usurious interest contracted for, <u>charged</u> or receive or (b) lesser of \$2000 or 20% of amount of principal. Tex. Fin. Code § 305.001(a)	Civil Penalty: In addition, to penalty for simple usury, creditor who <u>charges and</u> receives is liable for (1) principal on which interest charged and received and (2) all interest and other amounts charged and received. Criminal Penalty: misdemeanor punishable by a fine of not more than \$1,000. Tex. Fin. Code § 305.008.	Reasonable expenses and fees paid to third parties. Tex. Fin. Code § 303.017. Rule limited to a bank, savings association, savings bank, or credit union. Fees and expenses paid to the lender that are not for third party expenses continue to be interest. <i>Nevels v. Harris</i> , 102 S.W.2d 1046 (Tex. 1937).	Continues to be interest. <i>Alamo Lumber Co. v. Gold</i> , 661 S.W.2d 926 (Tex. 1984).	Interest, but Tex. Fin. Code § 302.103 states DIDMCA ¹ preempts Texas law as to late charges. Tex. Fin. Code § 302.103. ²	State limits preempted by DIDMCA with respect to “federally related” loans secured by a first lien on residential real property. DIDMCA. However, open issues remain with respect to late charges, prepayment premiums and similar charges. <i>Seiter</i>
Commercial Loans Tex. Fin. Code § 306.001 (5)	18%/28% Tex. Fin. Code. §§ 303.001, 303.009 (c) & 306.002.	Three times usurious interest contracted for <u>or</u> received. Tex. Fin. Code § 305.001a-1)	Not Applicable	Voluntary prepayment premiums. Tex. Fin. Code § 306.005	Not interest. Tex. Fin. Code § 306.007.	Delinquency charge on the amount of any installment or other amount in default for a period of not less than 10 days in an amount not to	Not Applicable

¹ Depository Institutions and Deregulation and Monetary Control Act of 1980, 12 U.S.C. Sections 1235f-7 and 1735f-7a, as amended.

² Questionable statute. How can state law force federal law to preempt what federal legislative history says is not preempted? *Seiter v. Veytia*, 756 S.W.2d 303 (Tex. 1988) [“*Seiter*”].

Loan Category	Annual Interest Rate Ceiling (Maximum/Minimum)	Penalties for Simple Usury	Penalty for Interest in Excess of Twice Amount Authorized by Law	Charges Statutorily Excluded from Definition of Interest	Assumption or Guaranty of Third Party Loan	Late Charges	Federal Preemption
						exceed five percent of the total amount of the installment. Tex. Fin. Code 306.006. Unclear if this is exclusive charge allowed by law or not.	
Qualified Commercial Loans Tex. Fin. Code § 306.001 (9)	18%/28% Tex. Fin. Code §§ 303.001, 303.009(c) & 306.002	Three times usurious interest contracted for or received Tex. Fin. Code § 305.001(a-1)	Not applicable	Equity kickers. See Tex. Fin. Code § 306.101(b); Voluntary prepayment premiums. Tex. Fin. Code § 306.005	Not interest. Tex. Fin. Code § 306.007	Delinquency charge same as other commercial loans.	Not applicable