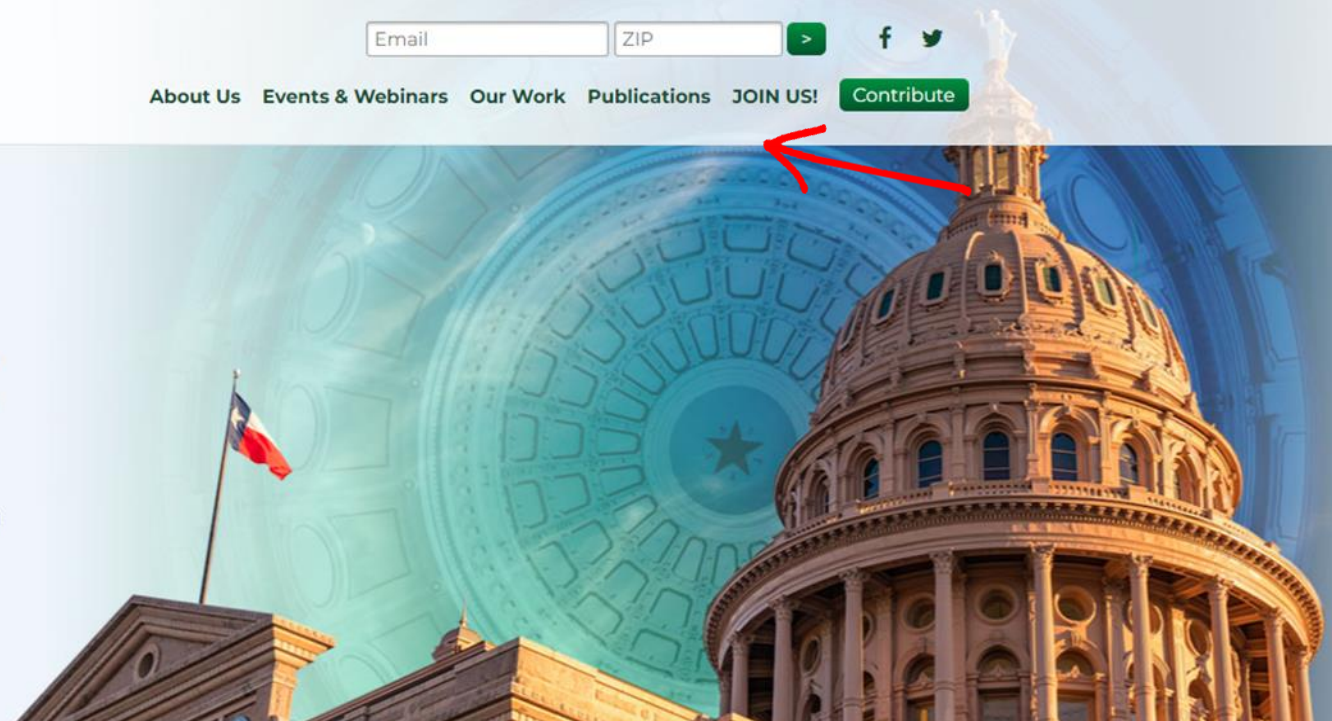


## BUILDING FINANCIAL SUCCESS ACROSS TEXAS.

RAISE Texas is helping Texans save, build assets, and break down the barriers that keep Texans from getting ahead.

We are a statewide coalition of diverse organizations and individuals, united around the common goal of building financial security for low and moderate income Texans.

[Read More →](#)



## 9/28: Increase Your Capacity to Offer Financial Coaching & Counseling

Learn how RAISE Texas and GreenPath Financial Wellness can help your organization offer or expand financial coaching and counseling services at no cost to you or your clients. Thursday, September 28, 9-10am CT

[Find all the details here! →](#)



# COLETTE BILLINGS

*Staff Attorney, Impact Litigation*

[impact@tlsc.org](mailto:impact@tlsc.org)

[www.tlsc.org](http://www.tlsc.org)

**TEXAS**  
**LEGAL**  
**SERVICES**  
**CENTER**



# Consumer Protection

Problems and Solutions

# Today's Agenda

1	<b>Introduction</b>
2	<b>Problem: Solar Panel Scams</b>
3	<b>Problem: Other Door-to-Door Scams</b>
4	<b>Know Your Rights: Door-to-Door Sales</b>
5	<b>Problem: Post-Disaster Home Repair Scams</b>
6	<b>Know Your Rights: Post-Disaster Home Repair Scams</b>
7	<b>Problem: Payday Loans</b>
8	<b>Know Your Rights: Payday Loans</b>
9	<b>Know Your Rights: Debt Collection</b>
10	<b>Consumer Protection Laws and Resources</b>
11	<b>Questions? Comments?</b>

# About TLSC

Founded in 1981, Texas Legal Services Center is a statewide nonprofit organization that provides legal advice, advocacy, representation, and education to underserved people across the state. With more than a dozen practice areas, our work touches almost every aspect of civil law that impacts low-income Texans.

## THE TLSC MISSION

**To ensure equal justice for all Texans by educating, empowering, and representing vulnerable people while reshaping the greater legal system that impacts us all.**



## **WE HELP WITH**

### **Discrimination and Social Justice**

Challenging inequities faced by people with disabilities, people of color, immigrants, women, and the LBGTQ+ community.

### **Accessing Government Benefits**

Helping you get the SNAP, Medicare, SSI, TANF, and other public benefits you need.

### **Employment and Work-Related Concerns**

Expunging criminal records, helping acquire occupational driver's licenses, and removing other legal barriers that hold you back from landing a job.

### **Property and Financial Trouble**

Ensuring your home is a safe place to live, and helping you navigate bankruptcy, debt collection, and other financial troubles.

### **Senior Care, Retirement, and Estate Planning**

Offering support, education, and guidance for legal matters that affect us later in life.

### **Family, Parenting, and Child Welfare**

Supporting families and individuals through domestic legal matters, such as custody, visitation rights, child support, child safety, and name changes.

### **Accessing Military Benefits and Other Veterans' Issues**

Helping veterans and their families in most civil legal matters, including military discharge upgrades and accessing VA benefits.

### **Overcoming Violence, Abuse, Stalking**

Helping individuals who've experienced domestic violence, sexual abuse, and other violent crimes stay safe, receive financial compensation, and work through numerous legal considerations.

# Consumer Issues: An Overview



# **The Problem: Solar Panel Scams**

# A Growing Industry Rife with Consumer Fraud

- The sale of home improvements – especially solar power, is a growing industry in Texas.
- Door-to-door salesman steal identities, forge signatures, and commit other fraud to make money.
- Predatory loans are everywhere – often leaving consumers with burdensome and unforeseen obligations.

## Solar Panel Scams: Common Issues

- Door-to-door scams
- ID theft / theft of credit identity
- Hidden contracts
- Unexpected liens / encumbrances
- Abuse of elderly, minorities, disabled, non-English speakers

# Tools of the Solar Panel Scam

## FALSE PROMISES

- Salesperson's appearance
- Misleading pitches
- Asking to see energy bills
- Affiliation with energy company
- Promise of government benefits, large tax rebates, and substantial energy savings

## HIDDEN AND DECEPTIVE CONTRACTS

- Pressure on the consumer to sign up ASAP
- Use of iPads and phones
- E-Sign and DocuSign
- Arbitration clauses
- Fake email accounts

# **The Problem: Other Door-to-Door Scams**

## Other Common Door-to-Door Sales Scams

- Security system scams
- Energy scams
- Health insurance scams
- Unexpected liens / encumbrances
- Tech support scams

# **Know Your Rights: Door-to-Door Sales**



# The 3-Day Right to Cancel

## WHAT THE LAW SAYS

A consumer has the right to cancel a sale within 3 business days when:

- A merchant solicits sales at a place other than their place of business;
- The consumer agrees to buy from the merchant while at a place other than the merchant's place of business; **and**
- The consumer is buying more than \$25 worth of goods or services or more than \$100 worth of real estate.

## OTHER PROTECTIONS

- The merchant is required to provide a consumer notice of their 3-day right to cancel.
- This could look like a contract or receipt and must state the sale date, name and address of merchant, statement of consumer's right to cancel, and address for where to send cancellation notice.
- Notice must be in same language as the language used in the sales presentation.

**To cancel a purchase within 3 days, a consumer should send a signed and dated cancellation notice to the address provided by the seller. The consumer must send this by midnight on the third business day after the transaction. They should keep a copy for their records.**

# **The Problem: Post-Disaster Home Repair Scams**

# Natural Disasters in Texas

- According to NASA, Texas is ranked first in the U.S. in the variety and frequency of natural disasters.
- Drought, floods, freezes, tropical cyclones, wildfires, and winter storms caused nearly 9 billion dollars in damages in Texas between 1980 and 2022.
- After a disaster, scam artists and other criminals often try to take advantage of disaster survivors – and home repair and improvement scams often flourish.

# Post-Disaster Home Repair Scams: Common Issues

- Door-to-door contractors and property inspectors
- Fraudulent charities
- Inspectors, contractors or repair persons who:
  - Charge for an estimate
  - Price gouge
  - Pressure a consumer to sign a contract immediately
  - Provide an estimate lower than others
  - Want to be paid upfront or in cash
  - Offer a loan through a lender to cover the cost of repairs
  - Ask for personal information like SSN

**When a homeowner signs a contract for improvements on their homestead, contractors can legally fix a lien on the property.**

## Contractor Liens

When the work is on a person's homestead, the contract must contain this warning next to the space for the homeowner's signature:

Important Notice: You and your contractor are responsible for meeting the terms and conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this contract, you may lose your legal ownership rights in your home. **KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.**



**Know Your Rights:  
Post-Disaster  
Home Repair Scams**

# Tips to Avoid Home Repair Fraud

## GET SEVERAL BIDS

- Written bids from at least 3 different contractors
- Contractor's full name, address, phone number
- Investigate and call references
- If repairs are over \$10K, ask for a copy of their Certificate of Registration with the Texas Residential Construction Commission

## GET IT IN WRITING

- Written contract
- Contract should specify the work to be done
- Contract should specify the price
- Consumer should not sign anything they don't understand
- Consumer should not sign a contract with blanks

## CONTROL THE MONEY

- Contractor should not require full payment up front
- Consumer should insist on waiting to pay until after work is finished
- Consumer should not pay in cash
- Consumer should wait to make final payment until after they have inspected the work

**Under federal law, you have three days to cancel a contract for repairs on your homestead after you sign it. To cancel, send a letter of cancellation by certified mail, return receipt requested.**

# **The Problem: Payday Loans**

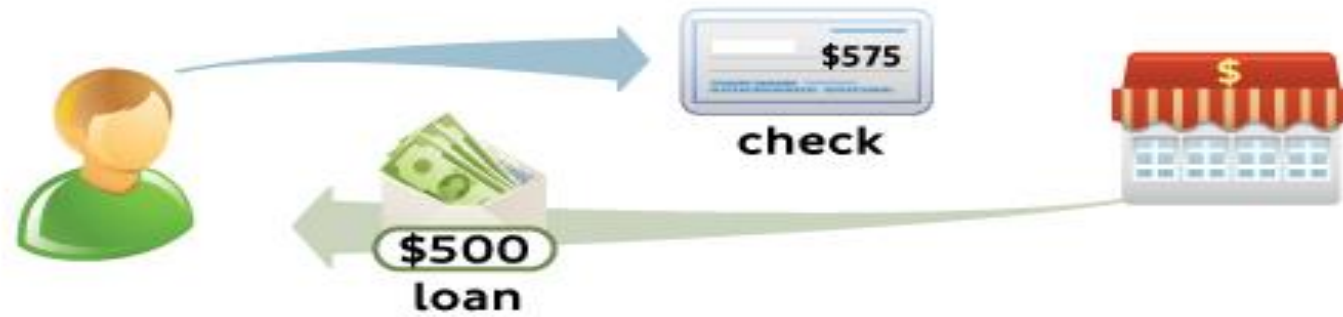
# Payday Loans

## WHAT ARE THEY? HOW DO THEY WORK?

- A payday loan is a loan issued based on your paycheck
- It is a short-term, high-cost loan, and most of the time it is for \$500 or less and is due on your next payday. Basically, you ask a lender to lend you money and agree to repay the loan out of your next paycheck.
- You ask a lender to give you a payday loan, and they request your pay stubs to see how much they can lend. To secure the loan (to make sure you will pay it back) they will require you to give them a check for the loan amount plus fees for lending you the money. Some lenders will require you to authorize them to electronically debit (charge) the funds from your bank account, credit union, or prepaid card account. The lender will then cash your check or debit your account if you have not paid the loan amount before the due date.

## How a Payday Loan Works

You borrow \$500  
The fee is \$75



2 WEEKS LATER



# Payday Loans: Common Issues

- Target consumers in emergency situations – advertised as helpful for unexpected situations
- Target consumers who can't quite get by paycheck to paycheck
- Target consumers with little or no access to conventional credit
- Appealing due to simplicity of borrowing (deceptive) and easy access to cash
- Rely on repeat customers, often low-income individuals
- Charge exorbitant compounding interest for cash advances
- Seldom offer workable repayment plans
- Most borrowers end up paying more in fees than the amount they originally borrowed



# **Know Your Rights: Payday Loans**

# Payday Loans: Understand the Risks

- **Very Expensive** – High interest credit cards might charge borrowers an APR of 28 to 36%, but the average payday loan's APR is commonly 398% (and might even be 500%!)
- **Financial Quicksand** – Many borrowers are unable to repay the loan in the typical two-week repayment period. When it is due, they must borrow or pay another round in fees, sinking them deeper and deeper into debt.
- **Access Your Bank Account** – Lenders say it will save you the hassle of writing the commonly used post-dated check. But if the loan comes due and the funds aren't in your account, the payday lender can make repeated attempts to withdraw the money, often resulting in multiple overdraft charges.
- **Ruthless Debt Collectors** – If you can't repay the loan, prepare to be contacted by debt collectors.
- **Damage to Your Credit** – If you can't repay the loan on time and the lender refers to a debt collection agency, which might take you to court. If a judge rules in the lender's favor, your credit rating can be seriously damaged.

# Payday Loans: Alternatives

- **Credit Unions and Small Loan Companies** – Credit unions are a very good place to start looking for a small loan. They can be more lenient about qualification standards for loans. Some local lenders might be willing to loan small amounts at competitive rates, especially to businesses.
- **Shop Before You Decide** – Compare APRs and finance charges from all available sources. Alternative lenders might charge high rates, but might not impose the high loan rollover fees that payday lenders typically demand.
- **Protect Yourself** – Contact creditors or loan servicers if you can't make a payment on time. They might be willing to work with you, offering a payment plan that might obviate the need for a payday loan.
- **Get Credit Counseling** – Non-profit agencies around the country offer credit advice at no or low cost to the borrower.
- **Develop A Budget** – Knowing how much you have coming in and where you're spending it is crucial to managing personal finances. Find Out If Your Checking Account Has Overdraft Protection – Protecting yourself against the credit damage that bounced checks cause is important. But it's important to know what overdraft protection costs and what it covers.

# **Know Your Rights: Debt Collection**

# It Is Illegal for Debt Collectors to Harass You

## DEBT COLLECTORS ARE PROHIBITED FROM:


- Making false statements or using offensive language.
- Telling you that failure to pay your debt is a crime or threatening you with jail time.
- Threatening to collect the debt from a third party, like your family or neighbors.
- Threatening to take your homestead or your paycheck.
- If a collection agency, they cannot call you at work or call you between 9 pm and 8 am (unless you agree).

If a debt collector is harassing you, send a “cease-and-desist” letter to the debt collector by certified mail demanding that they stop harassing you at your home or work. Keep a copy for your records. If the debt collector continues to harass you, you may have grounds for a lawsuit.

# Tips for Defending Against a Lawsuit from a Creditor

- The creditor must file a lawsuit within 4 years from the date of your last minimum payment or promise to pay on the debt. Once 4 years have passed, the debt is likely time-barred.
- The creditor must send you a written demand for payment (“demand letter”) at least 30 days before filing a lawsuit against you. If you don’t owe the debt or the amount is wrong, reply to the demand letter within 30 days.
- The collection agency must provide a copy of the creditor contract if you ask for it
- If the creditor has sold your debt to a collection agency, the agency is required to keep a copy of the contract between you and the original creditor on file that shows your account number with the original creditor. You have a legal right to ask for a copy of this contract to make the collection agency prove that they have the authority to collect the debt.
- File an Answer!
- Do not ignore the lawsuit!
- You may be judgment proof.

# Know your rights. Learn more about debt collection and related scams.



**IS THIS DEBT COLLECTION CALL REAL OR A SCAM?**

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[Read the guide »](#)

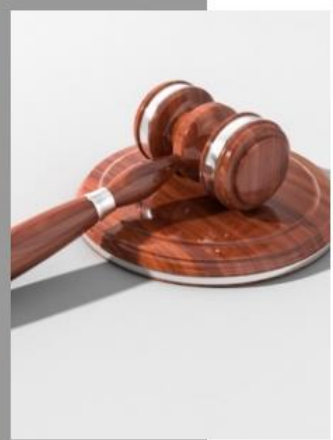


**COMMON SCARE TACTICS BY DEBT COLLECTORS**

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Debt collectors must follow the law and cannot use scare tactics to pressure you to pay.

[Read the guide »](#)



**YOU GOT SUED BY A DEBT COLLECTOR. NOW WHAT?**

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If you are sued for a debt, here is what to do first.

[Read the guide »](#)



**AM I JUDGMENT PROOF?**

# **Consumer Protection Laws and Resources**



# Consumer Law Statutes

## FEDERAL

- Fair Credit Reporting Act
- Fair Debt Collections Practices Act
- Truth in Lending Act
- Equal Credit Opportunity Act
- Fair Housing Act
- Telephone Consumer Protection Act
- Driver's Privacy Protection Act

## TEXAS

- Texas Deceptive Trade Practices Act
- Texas Fair Debt Collection Practices Act
- Texas Fair Housing Act
- Telemarketing Disclosure and Privacy Act

# Federal Consumer Law Statutes

**Fair Credit Reporting Act:** Promotes the accuracy, fairness, and privacy of consumer information.

**Fair Debt Collection Practices Act:** Establishes legal protection from abusive debt collection practices

**Truth in Lending Act:** Protects against inaccurate and unfair credit billing and credit card practices

**Equal Credit Opportunity Act:** Makes it unlawful for creditors to discriminate against any applicant

**Fair Housing Act:** Protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, and more

**Telephone Consumer Protection Act:** Restricts the making of telemarketing calls and the use of automatic telephone dialing systems and artificial or prerecorded voice messages

**Driver's Privacy Protection Act:** prohibits the release or use by any State DMV (or any officer, employee, or contractor thereof) of personal information about an individual obtained by the department in connection with a motor vehicle record.

## Texas Consumer Law Statutes

**Texas Deceptive Trade Practices Act:** Prohibits false, misleading, or deceptive acts or practices in the conduct of any trade or commerce

**Texas Fair Debt Collection Practices Act:** Requires that debt collectors treat you fairly and prohibits certain methods of debt collection

**Texas Fair Housing Act:** Protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, and more

**Telemarketing Disclosure and Privacy Act:** Enabled the creation of a statewide “do not call” list.

# Consumer Law Resources

## CONSUMER FINANCIAL PROTECTION BUREAU

- CFPB implements and enforces federal consumer laws.
- The CFPB website provides resources for consumers here:  
<https://www.consumerfinance.gov/consumer-tools/>
- Consumers can file a complaint here:  
<https://www.consumerfinance.gov/complaint/>

## FEDERAL TRADE COMMISSION

- The FTC protects consumers by preventing deceptive and unfair business practices.
- The FTC provides resources for consumers here:  
<https://consumer.ftc.gov/>
- Consumers can report fraud, get a free credit report, register for the federal do not call list, and more, here:  
<https://www.ftc.gov/>

# Consumer Law Resources

## BETTER BUSINESS BUREAU

- The BBB rates businesses based on reliability and performance and facilitates the resolution of consumer complaints.
- Consumers can look up businesses here: <https://www.bbb.org/>
- Consumers can file a complaint here: <https://www.bbb.org/file-a-complaint>

## TEXAS OFFICE OF THE ATTORNEY GENERAL

- The OAG's Consumer Protection Division accepts complaints, files civil cases, and educates Texans on how to spot scams.
- The OAG provides resources for consumers here: <https://www.texasattorneygeneral.gov/consumer-protection>
- Consumers can file a complaint here: <https://oag.my.salesforce-sites.com/CPDOnlineForm>

# Consumer Law Resources

## DEPT OF SAVINGS AND MORTGAGE LENDING

- The Department oversees the licensing, registration, and regulation of the state's residential mortgage lending
- The Department provides resources for consumers here:  
<https://www.sml.texas.gov/consumers/>
- Consumers can file a complaint here:  
<https://www.sml.texas.gov/consumers/complaints/>

## OFFICE OF THE CONSUMER CREDIT COMMISSIONER

- The OCCC licenses and regulates lenders in Texas.
- The OCCC provides resources for consumers here: <https://occc.texas.gov/>
- Consumers can file a complaint here: <https://occc.texas.gov/consumers/file-a-complaint>

# Consumer Law Resources

## TEXASLAWHELP.ORG

- A website provided by Texas Legal Services Center, dedicated to providing free and reliable legal information to Texans
- Now in English, Spanish, and Vietnamese
- Articles and guides on consumer issues can be found here: <https://texaslawhelp.org/money-debt>
- Debt collection specific articles can be found here: <https://texaslawhelp.org/money-debt/debt-collection-payday-loans>
- Help finding legal aid and private attorneys, legal clinic directory, chat with an attorney or law student

## OTHER RESOURCES

- Your voice matters!
- Yelp
- Google
- Indeed
- Social media – Facebook, Twitter (X), Nextdoor, Instagram

**Questions,  
Comments? We  
want to hear from  
you!**

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