

# Table of Contents

## Volume 27

### **PART I. CONSUMER PURCHASES**

#### **CHAPTER 1. THE TEXAS DECEPTIVE TRADE PRACTICES ACT AS A PRIVATE REMEDY**

- § 1:1 Introduction
- § 1:2 Overview of a Prima Facie DTPA Case
- § 1:3 Grounds for DTPA Liability
- § 1:4 Defenses to DTPA Liability
- § 1:5 Damages and Attorney's Fees
- § 1:6 Post-Judgment Relief
- § 1:7 Class Actions
- § 1:8 Pre-Suit Tender and Settlement Procedures
- § 1:9 Actions for personal injury, death, and other property damage; Contribution and Indemnity
- § 1:10 Injunctive relief and other remedies
- § 1:11 Arbitration

#### **CHAPTER 2. UNFAIR AND DECEPTIVE CONDUCT**

##### **A. INTRODUCTION**

- § 2:1 Scope—Sources of the law

##### **B. GENERAL MISREPRESENTATIONS**

- § 2:2 Misrepresentation generally—DTPA § 17.46(b)(5) and (7)
- § 2:3 Misrepresentation—Claims analogous to fraud
- § 2:4 —Claims analogous to breach of warranty
- § 2:5 —Claims analogous to breach of contract

##### **C. MISREPRESENTATION OF CONTRACTUAL RIGHTS**

- § 2:6 Misrepresentation of contractual rights—Generally—DTPA § 17.46(b)(12)

- § 2:7 —Warranty and others—DTPA § 17.46(b)(14), (20) and (24)

#### **D. DECEPTIVE SALES AND ADVERTISING— GENERALLY**

- § 2:8 Passing off—DTPA § 17.46(b)(1)
- § 2:9 Geographic origin—DTPA § 17.46(b)(4)
- § 2:10 Confusion of source—Endorsement—DTPA § 17.46(b)(2) and (3)
- § 2:11 Floral business telephone directory listings—DTPA § 17.462
- § 2:12 Prior use—DTPA § 17.46(b)(6) and (16)
- § 2:13 Insincere offers—DTPA § 17.46(b)(9), (10) and (14)
- § 2:14 Disparagement—DTPA § 17.46(b)(8)
- § 2:15 Failure to disclose—DTPA § 17.46(b)(24)
- § 2:16 Miscellaneous violations—DTPA §§ 17.46(b)(18), (25)and (26)

#### **E. DECEPTIVE SALES AND ADVERTISING—PRICE**

- § 2:17 Price—Generally—DTPA § 17.46(b)(11) and (26)
- § 2:18 Closing out sales—DTPA § 17.46(b)(17)
- § 2:19 Referral schemes—DTPA § 17.46(b)(19)

#### **F. DECEPTIVE SALES AND ADVERTISING— REPAIRS**

- § 2:20 Need for repairs—Repairs performed—DTPA § 17.46(b)(13) and (22)
- § 2:21 Repairs—Warranty—DTPA § 17.46(b)(15) and (20)

#### **G. HOME SOLICITATION SALES**

- § 2:22 Home solicitation sales—Sources of the law
- § 2:23 —Definition
- § 2:24 The consumer's right to cancel
- § 2:25 Foreign language transactions
- § 2:26 Home Solicitation Sales Act—Violations
- § 2:27 —Remedies

#### **H. MISCELLANEOUS UNFAIR AND DECEPTIVE PRACTICES**

- § 2:28 Pyramid sales—DTPA § 17.46(b)(21)
- § 2:29 Distant forum abuse—DTPA § 17.46(b)(23)
- § 2:30 Business opportunities
- § 2:31 Odometer disclosures and prohibitions

## TABLE OF CONTENTS

- § 2:32 Texas Health Spa Act
- § 2:33 Going out of business sales
- § 2:34 Rental-purchase agreements
- § 2:35 Contest and Gift Giveaway Act
- § 2:36 Sweepstakes
- § 2:37 Telephone solicitation
- § 2:38 Regulation of employment services
- § 2:39 Sale and advertising of motor vehicles
- § 2:40 Sending unordered merchandise
- § 2:41 Truth in savings
- § 2:42 Consumer rebates

## **CHAPTER 3. WARRANTY**

### **A. INTRODUCTION**

- § 3:1 Introduction—Focus of this Chapter
- § 3:2 Sources of the law

### **B. CREATION OF WARRANTIES**

- § 3:3 Express warranties—Generally
- § 3:4 —Affirmation of fact or promise
- § 3:5 —Description
- § 3:6 —Samples and models
- § 3:7 —Basis of the bargain
- § 3:8 —Puffing
- § 3:9 —Services
- § 3:10 Warranty of merchantability—Generally
- § 3:11 —Merchant—The isolated sales rule
- § 3:12 —Merchantability defined
- § 3:13 —Used goods
- § 3:14 Warranty of fitness for a particular purpose
- § 3:15 Warranty of title
- § 3:16 Scope of Article 2—Leases and service contracts
- § 3:17 Article 2A—Leases
- § 3:18 Non-U.C.C. warranties—Services
- § 3:19 Non-U.C.C. implied warranties—Real estate
- § 3:20 The Texas “Lemon Law”
- § 3:21 The F.T.C. used car rule

### **C. THE MAGNUSON-MOSS WARRANTY ACT**

- § 3:22 Effect of federal law
- § 3:23 Coverage of the Act—Written warranties
- § 3:24 —Service contracts

- § 3:25 Substantive requirements of the Act
- § 3:26 Pre-sale availability of warranty terms
- § 3:27 Disclosure requirements
- § 3:28 Remedies under Magnuson-Moss

## **D. DISCLAIMER AND MODIFICATION OF WARRANTIES**

- § 3:29 Disclaimer and modification—Generally
- § 3:30 Disclaimer of express warranties
- § 3:31 Disclaimer of implied warranties
- § 3:32 Conflicts between express and implied warranties
- § 3:33 Restrictions on disclaimers—Federal law
- § 3:34 Limitation of remedies
- § 3:35 Invalid disclaimers or limitations—Unconscionability
- § 3:36 —Failure of essential purpose
- § 3:37 —Conspicuousness
- § 3:38 —Unbargained terms
- § 3:39 —Clarity
- § 3:40 Disclaimer or modification under Article 2A (leases)

## **E. BREACH OF WARRANTY**

- § 3:41 Texas Residential Construction Commission
- § 3:42 Residential construction liability
- § 3:43 Rejection
- § 3:44 Revocation
- § 3:45 Rejection—Revocation—Buyer's rights and duties
- § 3:46 Breach of warranty—Suit for damages—Introduction
- § 3:47 Damages for breach of warranty—Primary damages
- § 3:48 —Incidental and consequential damages
- § 3:49 —Multiple damages
- § 3:50 Remedies under Article 2A (leases)

# **CHAPTER 4. UNCONSCIONABILITY**

## **A. THE LAW OF UNCONSCIONABILITY**

- § 4:1 Unconscionability—U.C.C. § 2.302
- § 4:2 — —Definition
- § 4:3 — —Procedural and substantive unconscionability
- § 4:4 — —Extension beyond sales
- § 4:5 —U.C.C. § 2A.108 (leases)
- § 4:6 —U.C.C. § 2.302—Related U.C.C. provisions
- § 4:7 Remedies for unconscionability
- § 4:8 Unconscionability under the DTPA

TABLE OF CONTENTS

- § 4:9 —Compared with U.C.C. unconscionability
- § 4:10 —Elements

**B. CONSIDERATIONS IN DETERMINING UNCONSCIONABILITY**

- § 4:11 Inequality of bargaining power
- § 4:12 Adhesion contracts
- § 4:13 Consumer vulnerability
- § 4:14 Price disparity
- § 4:15 Credit terms
- § 4:16 Remedy modification

**CHAPTER 5. INSURANCE**

**A. INTRODUCTION**

- § 5:1 Introduction—Focus of this chapter
- § 5:2 Texas Insurance Code—Overview
- § 5:3 Extent of federal regulation

**B. TEXAS REGULATION OF INSURANCE**

- § 5:4 Protection of policyholders
- § 5:5 Insurance agents
- § 5:6 Unauthorized insurers
- § 5:7 Misrepresentations by policyholders

**C. CHAPTER 541**

- § 5:8 Background
- § 5:9 Private remedy
- § 5:10 Proper parties
- § 5:11 Chapter 541—Prohibited conduct
- § 5:12 —Miscellaneous provisions

**D. INSURER'S DUTY TO INSUREDS**

- § 5:13 Duty to defend and *Stowers* doctrine
- § 5:14 Duty of good faith and fair dealing
- § 5:15 —Defenses
- § 5:16 Prompt payment of claims—Statutory basis
- § 5:17 Unfair claim settlement practices—Statutory basis
- § 5:18 —Private remedy

## **CHAPTER 6. ALTERNATIVE APPROACHES TO CONSUMER PROTECTION**

### **A. INTRODUCTION**

§ 6:1 Other approaches—Generally

### **B. PUBLIC PROTECTION OF CONSUMERS**

§ 6:2 Public protection—State

§ 6:3 —The Federal Trade Commission

§ 6:4 —Other federal agencies

### **C. CRIMINAL SANCTIONS**

§ 6:5 Criminal sanctions—State

§ 6:6 —Federal

### **D. COMMON LAW FRAUD**

§ 6:7 Fraud—Generally

§ 6:8 —Misrepresentation of material fact

§ 6:9 —Knowledge and intent

§ 6:10 —Duty to investigate

§ 6:11 —Remedies

### **E. DUTY OF GOOD FAITH**

§ 6:12 Good faith—Generally

§ 6:13 —Historical background

§ 6:14 The requirement of “special relationship”

## **PART II. REAL PROPERTY**

### **CHAPTER 7. THE CONSUMER AS PURCHASER**

#### **A. INTRODUCTION**

§ 7:1 Scope of this chapter

#### **B. FRAUD**

§ 7:2 Protection against fraudulent sales practices—Texas law

§ 7:3 —The federal Interstate Land Sales Full Disclosure  
Act—Background

TABLE OF CONTENTS

- § 7:4 — —Operation of the Act
- § 7:5 — —Exemptions
- § 7:6 — —Private remedies
- § 7:7 — —Public enforcement

**C. SALES TRANSACTIONS**

- § 7:8 Contracts and financing
- § 7:9 Financing and closing procedures—Federal Real Estate Settlement Procedures Act (RESPA)
- § 7:10 Private mortgage insurance
- § 7:11 Real estate brokers
- § 7:12 Contracts of sale in Texas
- § 7:13 Texas Timeshare Act

**D. FORECLOSURE**

- § 7:14 Foreclosure procedures
- § 7:15 Challenges to foreclosure

**E. PROPERTY OWNERS ASSOCIATIONS**

- § 7:16 Regulation of property owners associations

**CHAPTER 8. THE CONSUMER AS TENANT**

**A. INTRODUCTION**

- § 8:1 Overview of the landlord-tenant relationship
- § 8:2 Types of tenancies and lease agreements

**B. CONDITION OF THE PREMISES & SECURITY DEPOSITS**

- § 8:3 Landlord's duty to repair or remedy
- § 8:4 Constructive eviction
- § 8:5 Security deposits
- § 8:6 Required Security Devices
- § 8:7 Smoke alarms and fire extinguishers
- § 8:8 Utilities

**C. LANDLORD-TENANT DISPUTES**

- § 8:9 Removal of Tenant Property and the Landlord's Lien
- § 8:10 Terminating Tenancies
- § 8:11 Evictions (Forcible Entry and Detainer)
- § 8:12 Retaliation against the tenant

- § 8:13 Landlord's liability for injuries and damages occurring on premises
- § 8:14 Miscellaneous landlord-tenant statutes

## Volume 28

### **PART III. CONSUMER CREDIT**

#### **CHAPTER 9. CREDIT AVAILABILITY—THE EQUAL CREDIT OPPORTUNITY ACT**

##### **A. INTRODUCTION**

- § 9:1 Introduction—History and purpose of the ECOA
- § 9:2 Administrative regulations—Public enforcement
- § 9:3 Relationship to other laws

##### **B. PROHIBITED DISCRIMINATION**

- § 9:4 Scope and coverage of the ECOA
- § 9:5 General rule against discrimination
- § 9:6 Discrimination prohibited—Specific examples—Sex and marital status
- § 9:7 — —Other categories

##### **C. THE APPLICATION FOR CREDIT**

- § 9:8 Prohibited inquiries—Generally
- § 9:9 Prohibited inquiries and exceptions—Sex and marital status
- § 9:10 — —Other categories

##### **D. EVALUATION OF APPLICATIONS**

- § 9:11 Introduction and general rule
- § 9:12 Methods of evaluation
- § 9:13 The effects test
- § 9:14 Specific regulations governing evaluation

##### **E. REQUIRED ACTS**

- § 9:15 Notification of action taken
- § 9:16 The notice of adverse action—Specificity
- § 9:17 Retention of records
- § 9:18 Furnishing credit information about married persons

TABLE OF CONTENTS

§ 9:19 Furnishing copies of appraisal reports

**F. REMEDIES**

§ 9:20 Private remedies

§ 9:21 —Jurisdiction and statutory defenses

**CHAPTER 10. CREDIT REPORTS**

**A. NATURE OF CREDIT REPORTING**

§ 10:1 The credit reporting industry

§ 10:2 Background: the credit reporting industry—Statutory regulation

**B. BASIC STATUTORY REQUIREMENTS**

§ 10:3 Definition of consumer reporting agency

§ 10:4 Definition of “consumer report” and “investigative consumer report”

§ 10:5 —Statutory exceptions

§ 10:6 Permissible purposes of consumer reports

§ 10:7 Control over content of consumer reports

§ 10:8 Required disclosures—User to consumer

§ 10:9 Consumer access to agency files

§ 10:10 —Correction of inaccurate reports

§ 10:11 Responsibilities of furnishers of information to consumer reporting agencies

**C. REMEDIES FOR STATUTORY VIOLATIONS**

§ 10:12 Civil liability—Negligent noncompliance

§ 10:13 —Willful noncompliance

§ 10:14 —Defenses

§ 10:15 —Limitation on common law liability

§ 10:16 Criminal liability

§ 10:17 Federal administrative enforcement

§ 10:18 Texas regulation of consumer credit reporting agencies

§ 10:19 Related legislation

**D. CREDIT REPAIR**

§ 10:20 Credit repair or services organizations—Federal regulation

§ 10:21 —Texas regulation

## **CHAPTER 11. STATE CONSUMER CREDIT REGULATION**

### **A. INTRODUCTION**

- § 11:1 Introduction
- § 11:2 Sources of the law
- § 11:3 Overview of the finance code—Structure
- § 11:4 Overview of the credit code—Regulation of rates
- § 11:5 Effect of federal law
- § 11:6 Basic credit math terms

### **B. THE LAW OF USURY**

- § 11:7 The elements of usury
- § 11:8 Installment sales—The time price differential
- § 11:9 Leases
- § 11:10 Intent
- § 11:11 Presumptions and burdens of proof

### **C. THE TEXAS FINANCE CODE**

- § 11:12 Overview of the finance code—Approach of this subchapter
- § 11:13 Installment sales—Scope
- § 11:14 —Credit charges
- § 11:15 —Disclosures
- § 11:16 —Related insurance
- § 11:17 —Prohibited provisions
- § 11:18 —Manufactured homes
- § 11:19 Consumer loans
- § 11:20 Home loans
- § 11:21 Revolving accounts

### **D. ISSUES COMMON TO USURY AND CONSUMER CREDIT**

- § 11:22 Calculating “interest”—Charges imposed in the front end
- § 11:23 —Charges imposed in the rear end
- § 11:24 “Contract for, charge or receive” defined
- § 11:25 Proper forum
- § 11:26 Proper parties

### **E. REMEDIES AND DEFENSES**

- § 11:27 Remedies

TABLE OF CONTENTS

- § 11:28 Statutory defenses
- § 11:29 Other defensive tactics

## **CHAPTER 12. THE TRUTH IN LENDING ACT**

### **A. INTRODUCTION**

- § 12:1 History—Approach of this chapter
- § 12:2 Purpose—Legislative intent
- § 12:3 Statutory scheme
- § 12:4 Construction of the act
- § 12:5 The Truth in Lending Simplification Act—Overview

### **B. THRESHOLD ISSUES**

- § 12:6 Scope of the Act—Generally
- § 12:7 —Consumer credit defined
- § 12:8 —Transactions subject to TILA
- § 12:9 —Persons liable
- § 12:10 Jurisdiction
- § 12:11 Statute of limitations

### **C. DISCLOSURES**

- § 12:12 Background—Overview of Pre-1982 disclosure issues
- § 12:13 Types of credit
- § 12:14 Form of the disclosures
- § 12:15 Other general disclosure requirements
- § 12:16 Finance charge
- § 12:17 Annual percentage rate
- § 12:18 Disclosures for open-end credit
- § 12:19 Special credit and charge card disclosure requirements
- § 12:20 —Credit insurance
- § 12:21 Disclosures for closed-end credit
- § 12:22 Home equity loans
- § 12:23 Advertising home equity loans
- § 12:24 Disclosure requirements for reverse mortgage loans
- § 12:25 High cost mortgage loans
- § 12:26 Model forms
- § 12:27 Credit advertising

### **D. RESCISSION**

- § 12:28 The consumer's right to rescind—Background

- § 12:29 —General rule
- § 12:30 Notice of the right to rescind
- § 12:31 Effect of rescission
- § 12:32 Exercise of the right to rescind

## **E. CIVIL LIABILITY**

- § 12:33 Civil liability—Background
- § 12:34 Remedies—Statutory penalties and actual damages
- § 12:35 Attorney’s fees
- § 12:36 Defenses
- § 12:37 Administrative enforcement

# **CHAPTER 13. CREDIT CARDS, LEASES AND ELECTRONIC FUND TRANSFERS**

## **A. INTRODUCTION**

- § 13:1 Introduction—Scope of this chapter

## **B. CREDIT CARDS**

- § 13:2 The nature of credit card transactions
- § 13:3 Unsolicited credit cards
- § 13:4 Liability for unauthorized use
- § 13:5 Unauthorized use defined
- § 13:6 Credit billing

## **C. LEASES**

- § 13:7 Lease contracts for which disclosures are required
- § 13:8 Requirements for consumer leases
- § 13:9 Texas regulation of motor vehicle leases

## **D. ELECTRONIC FUND TRANSFERS**

- § 13:10 Electronic fund transfer systems—Introduction
- § 13:11 The Electronic Fund Transfer Act—Scope
- § 13:12 —Disclosures and documentation
- § 13:13 —Error resolution
- § 13:14 —Liability for unauthorized electronic fund transfers
- § 13:15 —Miscellaneous provisions
- § 13:16 —Civil liability and defenses
- § 13:17 Texas regulation of electronic fund transfers

## **CHAPTER 14. THIRD-PARTY FINANCING; DEFENSE CUT OFFS**

- § 14:1 Generally—Holder in due course and other “cut off” devices
- § 14:2 Challenging the holder in due course status—UCC
- § 14:3 Policy reasons for change
- § 14:4 Limitations on “Cut Offs”—Texas law
- § 14:5 —Federal regulation
- § 14:6 Waiver of defense clauses
- § 14:7 Credit card transactions
- § 14:8 Special rules for high cost second mortgage loans
- § 14:9 Remedies for violations of Texas remedial statutes
- § 14:10 Remedies under federal law
- § 14:11 —F.T.C. rule as basis for Relief Under Texas Consumer Protection Act

## **CHAPTER 15. DEBT COLLECTION**

### **A. GENERALLY**

- § 15:1 Creditors’ collection efforts—Overview
- § 15:2 Regulation of collection agencies
- § 15:3 Protection of the homestead

### **B. JUDICIAL COLLECTION PROCEDURES**

- § 15:4 Pre-judgment writs—Generally
- § 15:5 —Constitutional requirements
- § 15:6 Sworn accounts
- § 15:7 Statutes of limitations—Acknowledgment of debts

### **C. EXTRAJUDICIAL COLLECTION OF DEBTS— SELF-HELP REPOSSESSION**

- § 15:8 Self-help repossession—A creditor’s remedy
- § 15:9 —Debtor’s defenses and remedies

### **D. EXTRAJUDICIAL COLLECTION OF DEBTS— UNFAIR COLLECTION EFFORTS**

- § 15:10 Federal regulation—Fair Debt Collection Practices Act
- § 15:11 —Other federal laws
- § 15:12 Texas regulation—The Texas Debt Collection Practices Act
- § 15:13 Specific prohibited practices—Misrepresentations

- § 15:14 —Communications with third persons
- § 15:15 —Harassment and abuse of debtors
- § 15:16 Tort remedies for abusive collection practices

## **CHAPTER 16. CONSUMER BANKRUPTCY**

### **A. GENERALLY**

- § 16:1 Background
- § 16:2 Structure of the code and available resource materials
- § 16:3 Commencement of the case
- § 16:4 Automatic stay of collection efforts
- § 16:5 Property of the estate
- § 16:6 Property exemptions
- § 16:7 Powers of the trustee
- § 16:8 Discharge of the debtor

### **B. CHAPTER 7 LIQUIDATION**

- § 16:9 Commencement of the case
- § 16:10 Discharge of the Chapter 7 debtor
- § 16:11 Distribution of the estate
- § 16:12 Advantages and disadvantages of Chapter 7

### **C. CHAPTER 13 ADJUSTMENT OF DEBTS**

- § 16:13 Commencement of the case
- § 16:14 Codebtor stay
- § 16:15 The debt adjustment plan
- § 16:16 Discharge of the Chapter 13 debtor
- § 16:17 Advantages and disadvantages of Chapter 13

### **D. CHAPTER 12 ADJUSTMENT OF DEBTS OF FAMILY FARMERS**

- § 16:18 Commencement of the case
- § 16:19 The debt adjustment plan
- § 16:20 Discharge of the Chapter 12 debtor

## **CHAPTER 17. ATTORNEY'S FEES IN CONSUMER PROTECTION CASES**

- § 17:1 Introduction
- § 17:2 Historical basis for award of attorney's fees—the “American Rule” vs. the “English Rule”
- § 17:3 Texas Supreme Court clarifies attorney's fee calculations under *Rohrmoos Venture v. UTSW DVA Healthcare, LLP*

TABLE OF CONTENTS

- § 17:4 Attorney's fee-shifting statutes in consumer protection litigation
- § 17:5 A Practice checklist for proving attorney's fees in consumer protection cases

**Table of Laws and Rules**

**Table of Cases**

**Index**