

Motorcycle Dealers: Registration and Documentary Fees

Texas is a great place to venture out on a motorcycle and enjoy the open road. And, as a motorcycle dealer, you want to be able to offer your customers payment options when purchasing a motorcycle. One of the options available is to create – or originate – a retail installment contract (RIC) that allows the customer to make installment payments for the purchase of that motorcycle and any authorized itemized charges and products. As the retail seller of the motorcycle, you are considered the holder of the contract and must register with the Office of Consumer Credit Commissioner (OCCC).¹

Registration

Under Chapter 345 of the Texas Finance Code, which addresses the sale of goods and services, a contract holder is defined as:

- a retail seller of the goods and services provided within the contract and who has not sold or transferred the contract, or
- the person to whom the contract was sold or transferred.

Essentially all motorcycle dealers who originate an RIC are contract holders for a period of time - even if the contract is immediately sold or transferred - and must ensure they are registered with the OCCC before engaging in any financing or related activities associated with an RIC.² And...any persons to whom you have later transferred or sold contracts must also be registered with the OCCC.

Documentary Fees

Motorcycle dealers may charge a documentary fee “for services rendered to, for, or on behalf of a retail buyer in handling and processing documents relating to the sale of a motorcycle...”³ The amount of the fee cannot exceed a reasonable amount as agreed to by both you as the seller and your customer.

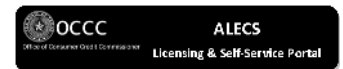
The previous cap of \$50 on the maximum amount a motorcycle dealer could charge was repealed by Senate Bill 1248 (September 2013). The bill authorized the Finance Commission of Texas to adopt rules identifying the maximum reasonable amount that can be charged in a retail installment contract. These amounts can be found within [Chapter 86, Subchapter B, §86.201 of the Texas Administrative Code](#).

Statutes, Administrative Rules, and Registration

Dealers may view the statutes and administrative rules discussed above by visiting the OCCC website (www.occc.state.tx.us). Select “Credit Industry Services” from the homepage and then locate the “Registered Creditors” option. The Registered Creditors Industry webpage provides information on statutes and rules, bulletins and advisories published by the OCCC, and registration processes.

How do I Register?

Register online using the Application, Licensing, Examination, and Compliance System (ALECS).



By registering online, you will be able to quickly register, submit payments online, and print your registration for display. ALECS allows you to manage your registration anytime, anywhere.

OR

Visit the OCCC website, download and complete registration forms for Registered Creditors, and submit the forms and payment via postal or delivery service.

Documentary Fees

Unlike motor vehicle dealers, you *do not* need to file your documentary fees with the OCCC.

Documentary Fees must:

Be reasonable,

Be agreed to by both seller and buyer,

Not exceed maximum allowable reasonable amounts, and

Comply with §345.251 of the Texas Finance Code and §86.201 of the Texas Administrative Code.

¹ §345.001, Texas Finance Code; §345.351, Texas Finance Code.

² Retail installment contracts are defined in §345.001(6), Texas Finance Code.

³ §345.251, Texas Finance Code.