



TEXAS APPLESEED

sowing the seeds of justice

Consumer Financial Protection, Economic Mobility, and Disaster Recovery

TACDC Community Economic Development Policy Summit 2025

Wednesday, November 12, 2025





Texas Appleseed's mission is to promote social, economic, and racial justice for all Texans by leveraging the skills and resources of volunteer lawyers, other professionals, and community partners to identify practical solutions to difficult, systemic problems.



Fair Financial Services Project

Ann Baddour
Director

HIGH-COST LENDING REFORM

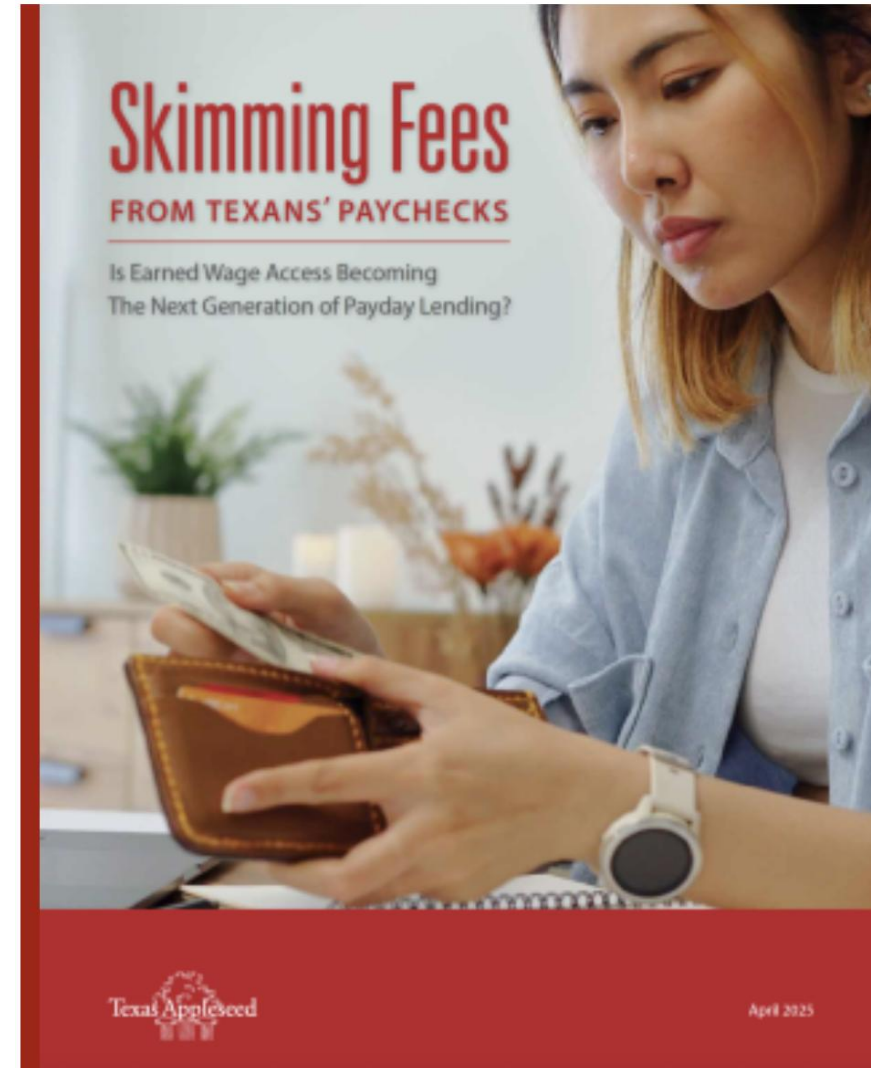
Earned Wage Access: A New Generation of Payday Loan

The Good News:

- [HB 2043/SB 938](#), industry bills to entrench evasions of lending, money transmission, and wage assignment laws did not pass.

Concern:

- Industry continues to grow unregulated, but bad regulation is not the answer.



Payday and Auto Title Lending Reform: Another Session with No Progress

Bills to reform payday lending

- Continue to be filed: [HB 476](#), [HB 1350](#), [HB 768](#)

But don't get hearings. Yet, major abuses remain:

- "Installment" loans have supercharged fees—in 2024, fees over \$2Billion
- Auto repossessions near record highs with over 42,000 cars repossessed in 2024.

Something to watch:

- Earlier this year, Dallas won TitleMax lawsuit challenging local ordinance. 5th Circuit ruled that ordinances are NOT preempted by state law.



High-Cost Licensed Lenders Keep Asking for More

The Good News:

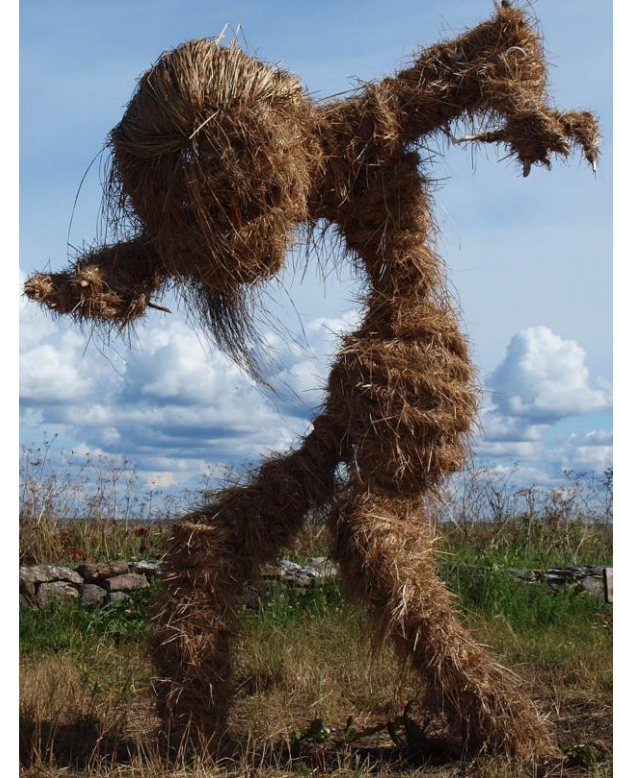
- [SB 1906/HB 4339](#), would have raised the cost of certain high-cost licensed loans by 20% or more leading to \$1,000 in extra charges for a typical \$5,000 loan.
- Bills did not pass, saving Texans between \$400 and \$800 million over the life of an average loan (3-5 year term).

Concern:

- Industry continues to come back session after session asking for the same increase (10 years now).

Something to Watch:

- [Colorado recently received a positive ruling](#) from the 10th Circuit Court of Appeals on their effort to opt out of a federal law allowing out of state banks to come in and charge high interests—often over 100% APR.



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Something to Watch: Implementation of AI Sandbox

HB 149 Creates an AI Sandbox Program in Texas

Something to Watch:

- Sandboxes allow experimentation without full legal accountability to customers
- We hope to see guardrails that protect people from harmful market practices.



Addressing Fraud, Financial Abuse, & Harmful Debt Collection Practices

Attempts to Weaken Home and Direct Sales Protections

The Good News:

- [HB 3466/SB 1007](#), which would have carved hundreds of business out of long-standing home and direct sales protections did not pass.

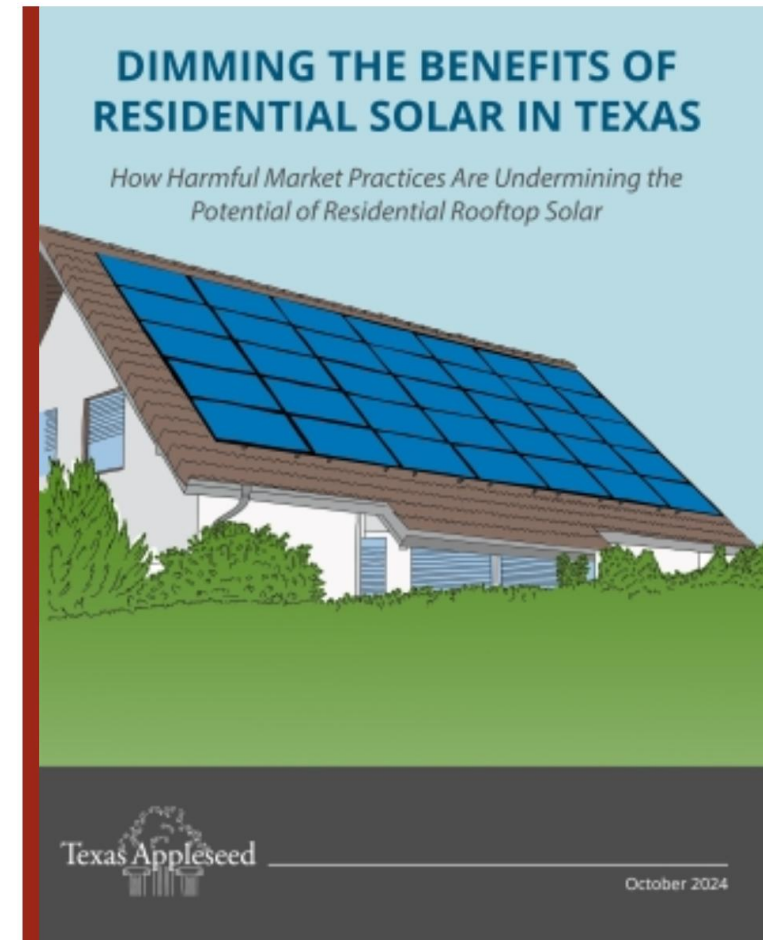
Concern:

- This was the second session a similar bill was filed and could see it coming back.



Positive Changes to Support Victims of Fraudulent Market Practices

- Licensing and oversight of solar panel sales: SB 1036
- Expanded legal protections for victims of coerced debt and other identity theft: HB 4238
- Improve access to data privacy protections by making it easier to opt out of data sales and collection by data brokers: SB 1343
 - Selling data to scammers is big business!



Supporting Fair Debt Collection Practices

The Good News:

- [HB 5009/SB 3009](#), which would have made it easier to take all the money in a person's bank account for a debt judgment, creating a renewed financial crisis.
 - Debt collection lawsuits in FY 2025 were at or near record highs: **431,744 new case filings, an 82% increase from 2022.**

Concern:

- This was the third session a similar bill was filed and could see it coming back.
- The solution is to protect basic needs as part of the debt collection process.



Supporting Fair Practices in Insurance Markets

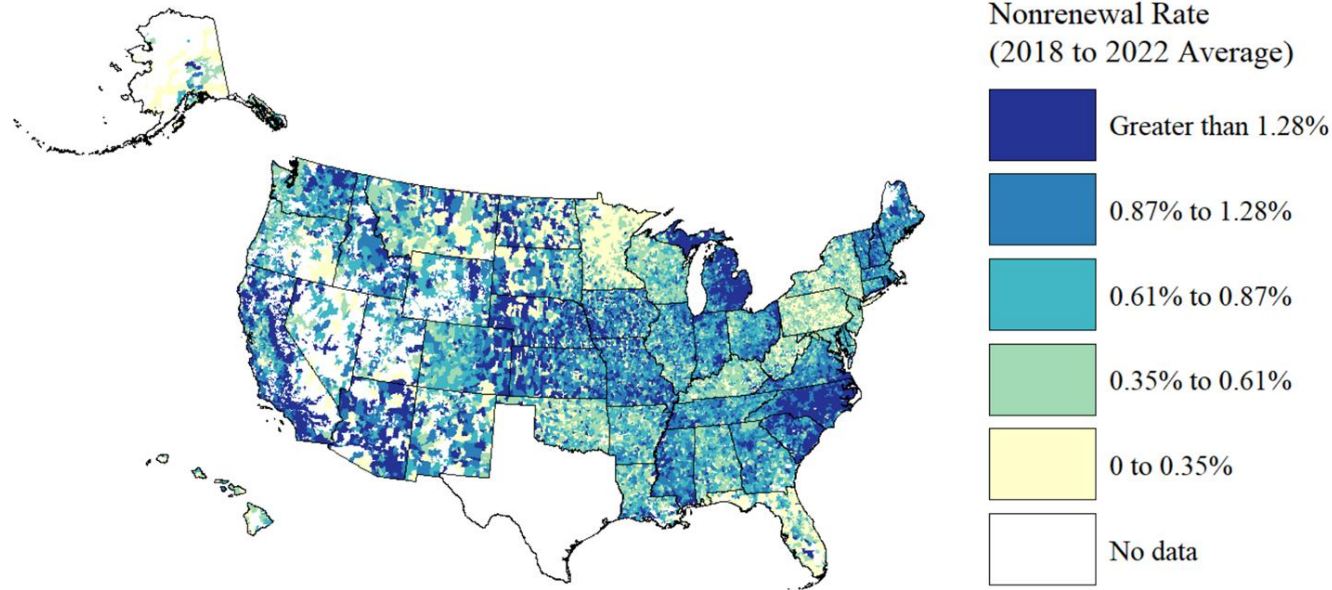
New Protections for Insurance Policyholders

The Good News:

- [SB 1238](#), eliminates widow/widower penalty in insurance pricing.
- [SB 213](#), prohibits the practice of tying approval of a homeowners insurance policy to the purchase of an auto policy with the same company.
- [SB 458](#), establishes an independent appraisal process if an individual disagrees with the insurance company on the appropriate pay out and they cannot otherwise reach an agreement.



Data Collection to Better Understand the Texas Market



Source: Federal Insurance Office, US Department of Treasury, *Analyses of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors*, at 21 (January 25, 2025).

The Good News:

- [HB 2067](#), requires zip code level data collection of declinations, cancellations and nonrenewals
- This data will support better-informed policymaking in Texas.



DISASTER RECOVERY AND FAIR HOUSING

Madison Sloan

Director

Meg Duffy

Senior Policy Analyst



Disaster Recovery and Fair Housing

Project Goals



All Texans have access to what they need to fully recover from a disaster and to be more resilient when the next disaster hits.

All Texas families have the choice to live in safe, healthy, and thriving communities with access to economic and educational opportunity.



Disaster Strikes

County and/or state officials manage evacuation orders and initial disaster response.



Disaster Declaration

Based on initial damage estimates, the governor makes a request for a major disaster declaration. If the president issues the declaration, FEMA is activated to respond.



Assistance Begins

FEMA is available to individuals and jurisdictions to begin immediate repairs. Additional programs, like disaster food aid (D-SNAP), may be available if the governor requests them.



Damage Assessment

FEMA assesses uninsured disaster damage. This calculation informs a decision about whether to seek long-term recovery funds from Congress.



Emergency Appropriations

Congress passes emergency funding measures for long-term recovery, to be administered by an array of federal agencies.



Long-Term Recovery

Federal agencies make grants and offer programs to state and local governments for individual and community recovery, transportation, infrastructure, farming, and small business support.



Federal Disaster Recovery Funding in Texas 2005 - 2024:

- 32 Major Disaster Declarations and 140 Fire Management Assistance Declarations.
- Over \$11 billion in FEMA Public Assistance (PA) and Individuals and Households Program (IHP) grant funds.
- More than \$11.2 billion in Community Development Block Grant for Disaster Recovery (CDBG-DR) funding.

Mitigation and Emergency Management Funding:

- Between 2014 and 2022, Texas received more than \$191 million in FEMA Emergency Management Performance Grants, more than any other state or territory.
- In FY 2026, TDEM will pass through and estimated \$1.5 billion in federal funding.
- Texas received \$395 million in Flood Mitigation Assistance grants between 2020 and 2024.
- In 2025, Texas lost over \$75 million in grant funds that had already been awarded to hazard mitigation projects in the state when FEMA ended the Building Infrastructure and Resilient Communities (BRIC) program.

FEMA halts grant program that spent billions on disaster protection

By Thomas Frank | 04/04/2025 06:21 AM EDT

An internal memo says the agency is canceling future and existing grants that help states and tribes prepare for floods, tornadoes and other

DHS is delaying millions in already approved North Carolina recovery funds, documents show

FEMA losing roughly 20% of permanent staff, including longtime leaders, ahead of hurricane season



By Gabe Cohen, CNN

🕒 4 minute read · Updated 6:36 PM EDT, Wed April 23, 2025

U.S. NEWS

AmeriCorps members who respond to disasters and help nonprofits are let go in DOGE cuts



2025 Special Session Bills: What Passed?

SB 1 and HB 1: Camp Safety

- Requires youth camps to have annually updates emergency plans in order to be licensed.
- Youth camps can't be licensed in a floodplain and campgrounds in a floodplain must have evacuation plans.

SB 3: Outdoor Warning Sirens

- Counties covered by the state disaster declaration for the July 4th floods must have outdoor sirens in "flash flood prone areas" identified by the Texas Water Development Board.

SB 5: Rainy Day Fund Appropriations

- \$200 million for FEMA match
- \$50 million for flood warning sirens in affected counties
- \$28 million for enhanced meteorological forecasting
- \$5 million to DSHS for new camp safety standards

HB 20: "Disaster Scam Response Act"

- Local jurisdictions can designate a nonprofit or financial institution to accept donations for declared disaster through a process created by the Secretary of State.
- Creates two new felony offences for theft of property in a disaster area and "malicious solicitation".



Federal Disaster Recovery Legislation

- **Reforming Disaster Recovery Act (RDRA)** permanently authorizing CDBG-DR.
 - Part of the “ROAD to Housing” package passed by the Senate and added to the National Defense Reauthorization Act.
- **FEMA Act of 2025 ([H.R. 4469](#))**
 - Would make FEMA an independent cabinet-level agency.
 - Reforms IHP and PA programs
 - Incentivizes mitigation.

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