

## **BILL ANALYSIS**

H.B. 2713  
By: Gutierrez  
Financial Institutions  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law authorizes late charges for secondary mortgage loans which include precomputed interest or use the scheduled installment earnings method, and for all other consumer loans. However, secondary mortgage loans that include simple interest are not permitted to include additional interest when payments are late.

H.B. 2713 corrects this oversight by authorizing additional interest when payments are late for secondary mortgage loans that include simple interest.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2713 amends Section 342.302, Finance Code to permit a secondary mortgage loan that includes simple interest to provide for additional interest for default if any part of an installment is 10 days late.

### **EFFECTIVE DATE**

On passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.