

By: Mercer

H.B. No. 824

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the automatic withdrawal of payments on a home loan from  
3 a borrower's account.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 343, Finance Code, is  
6 amended by adding Section 343.105 to read as follows:

7 Sec. 343.105. AUTOMATIC PAYMENT OF HOME LOAN. (a) A lender  
8 shall provide a borrower of a home loan with the option of making  
9 the payments on the loan through the automatic withdrawal of each  
10 payment by an electronic funds transfer from the borrower's account  
11 at a financial institution.

12 (b) A lender shall provide a borrower who chooses to make  
13 payments on a home loan under Subsection (a) with the option of  
14 having the funds automatically withdrawn monthly or semimonthly, on  
15 payment dates selected by the lender.

16 (c) A lender shall inform a prospective borrower of a home  
17 loan of the payment options prescribed by this section in writing on  
18 or before the closing of the home loan.

19 SECTION 2. On or before January 1, 2004, a lender shall  
20 inform, in writing, each borrower of a home loan that is outstanding  
21 and owed to the lender on January 1, 2004, of the borrower's payment  
22 options under Section 343.105, Finance Code, as added by this Act.

23 SECTION 3. This Act takes effect January 1, 2004.