

By: Carona

S.B. No. 1067

A BILL TO BE ENTITLED

AN ACT

relating to administrative interpretation of home equity lending law.

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

SECTION 1. Subchapter D, Chapter 11, Finance Code, is amended by adding Section 11.308 to read as follows:

Sec. 11.308. INTERPRETATION OF HOME EQUITY LENDING LAW. The finance commission may, on request of an interested person or on its own motion, issue interpretations of Sections 50(a)(5)-(7), (e)-(p), (t), and (u), Article XVI, Texas Constitution. An interpretation under this section is subject to Chapter 2001, Government Code, and is applicable to all lenders authorized to make extensions of credit under Section 50(a)(6), Article XVI, Texas Constitution, except lenders regulated by the Credit Union Commission. The finance commission and the Credit Union Commission shall attempt to adopt interpretations that are as consistent as feasible or shall state justification for any inconsistency.

SECTION 2. Subchapter E, Chapter 15, Finance Code, is amended by adding Section 15.413 to read as follows:

Sec. 15.413. INTERPRETATION OF HOME EQUITY LENDING LAW. The commission may, on request of an interested person or on its own motion, issue interpretations of Sections 50(a)(5)-(7), (e)-(p), (t), and (u), Article XVI, Texas Constitution. An

1 interpretation under this section is subject to Chapter 2001,  
2 Government Code, and is applicable to lenders regulated by the  
3 commission. The Finance Commission of Texas and the commission  
4 shall attempt to adopt interpretations that are as consistent as  
5 feasible or shall state justification for any inconsistency.

6         SECTION 3. This Act takes effect on the date on which the  
7 constitutional amendment proposed by the 78th Legislature, Regular  
8 Session, 2003, authorizing a home equity line of credit, providing  
9 for administrative interpretation of home equity lending law, and  
10 otherwise relating to the making, refinancing, repayment, and  
11 enforcement of home equity loans takes effect. If that amendment is  
12 not approved by the voters, this Act has no effect.