

1-1 By: Carona S.B. No. 1067
1-2 (In the Senate - Filed March 10, 2003; March 17, 2003, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 May 7, 2003, reported favorably by the following vote: Yeas 6,
1-5 Nays 0; May 7, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to administrative interpretation of home equity lending
1-9 law.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter D, Chapter 11, Finance Code, is
1-12 amended by adding Section 11.308 to read as follows:

1-13 Sec. 11.308. INTERPRETATION OF HOME EQUITY LENDING
1-14 LAW. The finance commission may, on request of an interested
1-15 person or on its own motion, issue interpretations of Sections
1-16 50(a)(5)-(7), (e)-(p), (t), and (u), Article XVI, Texas
1-17 Constitution. An interpretation under this section is subject to
1-18 Chapter 2001, Government Code, and is applicable to all lenders
1-19 authorized to make extensions of credit under Section 50(a)(6),
1-20 Article XVI, Texas Constitution, except lenders regulated by the
1-21 Credit Union Commission. The finance commission and the Credit
1-22 Union Commission shall attempt to adopt interpretations that are as
1-23 consistent as feasible or shall state justification for any
1-24 inconsistency.

1-25 SECTION 2. Subchapter E, Chapter 15, Finance Code, is
1-26 amended by adding Section 15.413 to read as follows:

1-27 Sec. 15.413. INTERPRETATION OF HOME EQUITY LENDING
1-28 LAW. The commission may, on request of an interested person or on
1-29 its own motion, issue interpretations of Sections 50(a)(5)-(7),
1-30 (e)-(p), (t), and (u), Article XVI, Texas Constitution. An
1-31 interpretation under this section is subject to Chapter 2001,
1-32 Government Code, and is applicable to lenders regulated by the
1-33 commission. The Finance Commission of Texas and the commission
1-34 shall attempt to adopt interpretations that are as consistent as
1-35 feasible or shall state justification for any inconsistency.

1-36 SECTION 3. This Act takes effect on the date on which the
1-37 constitutional amendment proposed by the 78th Legislature, Regular
1-38 Session, 2003, authorizing a home equity line of credit, providing
1-39 for administrative interpretation of home equity lending law, and
1-40 otherwise relating to the making, refinancing, repayment, and
1-41 enforcement of home equity loans takes effect. If that amendment is
1-42 not approved by the voters, this Act has no effect.

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