

1-1 By: Averitt S.B. No. 1430  
1-2 (In the Senate - Filed March 13, 2003; March 20, 2003, read  
1-3 first time and referred to Committee on Business and Commerce;  
1-4 April 10, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 10, 2003,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1430 By: Averitt

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to additional interest for default on certain secondary  
1-11 mortgage loans.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The heading of Section 342.302, Finance Code, is  
1-14 amended to read as follows:

1-15 Sec. 342.302. ADDITIONAL INTEREST FOR DEFAULT: REGULAR  
1-16 TRANSACTION OR TRANSACTION INCLUDING SIMPLE INTEREST.

1-17 SECTION 2. Section 342.302, Finance Code, is amended by  
1-18 amending Subsection (c) and adding Subsection (e) to read as  
1-19 follows:

1-20 (c) The additional interest for default under this section  
1-21 may not exceed five cents for each \$1 of a scheduled installment.

1-22 (e) A secondary mortgage loan that includes simple interest  
1-23 may provide for additional interest for default if any part of an  
1-24 installment remains unpaid after the 10th day after the date on  
1-25 which the installment is due, including Sundays and holidays.

1-26 SECTION 3. This Act takes effect immediately if it receives  
1-27 a vote of two-thirds of all the members elected to each house, as  
1-28 provided by Section 39, Article III, Texas Constitution. If this  
1-29 Act does not receive the vote necessary for immediate effect, this  
1-30 Act takes effect September 1, 2003.

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