

By: Carona

S.J.R. No. 17

A JOINT RESOLUTION

1 proposing a constitutional amendment simplifying requirements for
2 certain refinances of home equity loans without additional cash
3 advances.

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

5 SECTION 1. Section 50, Article XVI, Texas Constitution, is
6 amended by amending Subsection (f) and adding Subsection (t) to
7 read as follows:

8 (f) A refinance of debt secured by the homestead, any
9 portion of which is an extension of credit described by Subsection
10 (a)(6) of this section, may not be secured by a valid lien against
11 the homestead unless:

12 (1) the refinance of the debt is an extension of credit
13 described by Subsection (a)(6) or (a)(7) of this section; or

14 (2) the new loan resulting from the refinance of the
15 debt meets all of the following conditions:

16 (A) no valid and enforceable contractual liens or
17 security interests have priority over the lien securing the new
18 loan;

19 (B) the new loan is not closed before the first
20 anniversary of the date the extension of credit described by
21 Subsection (a)(6) of this section was closed; and

22 (C) the new loan does not include the advance of
23 any additional funds other than actual costs and reserves required
24 by the lender in order to make the new loan.

1 (t) A refinance of debt under Subsection (f)(2) of this
2 section is considered to be a refinance of a lien against a
3 homestead under Subsection (a)(4) of this section and is not
4 governed by the law specifically applicable to a debt described by
5 Subsection (a)(6) of this section.

6 SECTION 2. This proposed constitutional amendment shall be
7 submitted to the voters at an election to be held November 4, 2003.
8 The ballot shall be printed to permit voting for or against the
9 proposition: "The constitutional amendment simplifying
10 requirements for certain refinances of home equity loans without
11 additional cash advances."