

1-1 By: Carona S.J.R. No. 42
1-2 (In the Senate - Filed March 10, 2003; March 20, 2003, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 May 7, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 8, Nays 0; May 7, 2003, sent
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.J.R. No. 42 By: Lucio

1-8 SENATE JOINT RESOLUTION

1-9 proposing a constitutional amendment authorizing a home equity line
1-10 of credit, providing for administrative interpretation of home
1-11 equity lending law, and otherwise relating to the making,
1-12 refinancing, repayment, and enforcement of home equity loans.

1-13 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsection (a), Section 50, Article XVI, Texas
1-15 Constitution, is amended to read as follows:

1-16 (a) The homestead of a family, or of a single adult person,
1-17 shall be, and is hereby protected from forced sale, for the payment
1-18 of all debts except for:

1-19 (1) the purchase money thereof, or a part of such
1-20 purchase money;

1-21 (2) the taxes due thereon;

1-22 (3) an owelty of partition imposed against the
1-23 entirety of the property by a court order or by a written agreement
1-24 of the parties to the partition, including a debt of one spouse in
1-25 favor of the other spouse resulting from a division or an award of a
1-26 family homestead in a divorce proceeding;

1-27 (4) the refinance of a lien against a homestead,
1-28 including a federal tax lien resulting from the tax debt of both
1-29 spouses, if the homestead is a family homestead, or from the tax
1-30 debt of the owner;

1-31 (5) work and material used in constructing new
1-32 improvements thereon, if contracted for in writing, or work and
1-33 material used to repair or renovate existing improvements thereon
1-34 if:

1-35 (A) the work and material are contracted for in
1-36 writing, with the consent of both spouses, in the case of a family
1-37 homestead, given in the same manner as is required in making a sale
1-38 and conveyance of the homestead;

1-39 (B) the contract for the work and material is not
1-40 executed by the owner or the owner's spouse before the fifth day
1-41 after the owner makes written application for any extension of
1-42 credit for the work and material, unless the work and material are
1-43 necessary to complete immediate repairs to conditions on the
1-44 homestead property that materially affect the health or safety of
1-45 the owner or person residing in the homestead and the owner of the
1-46 homestead acknowledges such in writing;

1-47 (C) the contract for the work and material
1-48 expressly provides that the owner may rescind the contract without
1-49 penalty or charge within three days after the execution of the
1-50 contract by all parties, unless the work and material are necessary
1-51 to complete immediate repairs to conditions on the homestead
1-52 property that materially affect the health or safety of the owner or
1-53 person residing in the homestead and the owner of the homestead
1-54 acknowledges such in writing; and

1-55 (D) the contract for the work and material is
1-56 executed by the owner and the owner's spouse only at the office of a
1-57 third-party lender making an extension of credit for the work and
1-58 material, an attorney at law, or a title company;

1-59 (6) an extension of credit that:

1-60 (A) is secured by a voluntary lien on the
1-61 homestead created under a written agreement with the consent of
1-62 each owner and each owner's spouse;

1-63 (B) is of a principal amount that when added to

2-1 the aggregate total of the outstanding principal balances of all
 2-2 other indebtedness secured by valid encumbrances of record against
 2-3 the homestead does not exceed 80 percent of the fair market value of
 2-4 the homestead on the date the extension of credit is made;

2-5 (C) is without recourse for personal liability
 2-6 against each owner and the spouse of each owner, unless the owner or
 2-7 spouse obtained the extension of credit by actual fraud;

2-8 (D) is secured by a lien that may be foreclosed
 2-9 upon only by a court order;

2-10 (E) does not require the owner or the owner's
 2-11 spouse to pay, in addition to any interest, fees to any person that
 2-12 are necessary to originate, evaluate, maintain, record, insure, or
 2-13 service the extension of credit that exceed, in the aggregate,
 2-14 three percent of the original principal amount of the extension of
 2-15 credit;

2-16 (F) is not a form of open-end account that may be
 2-17 debited from time to time or under which credit may be extended from
 2-18 time to time unless the open-end account is a home equity line of
 2-19 credit;

2-20 (G) is payable in advance without penalty or
 2-21 other charge;

2-22 (H) is not secured by any additional real or
 2-23 personal property other than the homestead;

2-24 (I) is not secured by homestead property
 2-25 designated for agricultural use as provided by statutes governing
 2-26 property tax, unless such homestead property is used primarily for
 2-27 the production of milk;

2-28 (J) may not be accelerated because of a decrease
 2-29 in the market value of the homestead or because of the owner's
 2-30 default under other indebtedness not secured by a prior valid
 2-31 encumbrance against the homestead;

2-32 (K) is the only debt secured by the homestead at
 2-33 the time the extension of credit is made unless the other debt was
 2-34 made for a purpose described by Subsections (a)(1)-(a)(5) or
 2-35 Subsection (a)(8) of this section;

2-36 (L) is scheduled to be repaid:
 2-37 (i) in substantially equal successive
 2-38 periodic [monthly] installments, not more often than every 14 days
 2-39 and not less often than monthly, beginning no later than two months
 2-40 from the date the extension of credit is made, each of which equals
 2-41 or exceeds the amount of accrued interest as of the date of the
 2-42 scheduled installment; or

2-43 (ii) if the extension of credit is a home
 2-44 equity line of credit, in periodic payments described under
 2-45 Subsection (t)(8) of this section;

2-46 (M) is closed not before:

2-47 (i) the 12th day after the later of the date
 2-48 that the owner of the homestead submits an application to the lender
 2-49 for the extension of credit or the date that the lender provides the
 2-50 owner a copy of the notice prescribed by Subsection (g) of this
 2-51 section; and

2-52 (ii) the first anniversary of the closing
 2-53 date of any other extension of credit described by Subsection
 2-54 (a)(6) of this section secured by the same homestead property;

2-55 (N) is closed only at the office of the lender, an
 2-56 attorney at law, or a title company;

2-57 (O) permits a lender to contract for and receive
 2-58 any fixed or variable rate of interest authorized under statute;

2-59 (P) is made by one of the following that has not
 2-60 been found by a federal regulatory agency to have engaged in the
 2-61 practice of refusing to make loans because the applicants for the
 2-62 loans reside or the property proposed to secure the loans is located
 2-63 in a certain area:

2-64 (i) a bank, savings and loan association,
 2-65 savings bank, or credit union doing business under the laws of this
 2-66 state or the United States;

2-67 (ii) a federally chartered lending
 2-68 instrumentality or a person approved as a mortgagee by the United
 2-69 States government to make federally insured loans;

3-1 (iii) a person licensed to make regulated
3-2 loans, as provided by statute of this state;
3-3 (iv) a person who sold the homestead
3-4 property to the current owner and who provided all or part of the
3-5 financing for the purchase; ~~or~~
3-6 (v) a person who is related to the homestead
3-7 property owner within the second degree of affinity or
3-8 consanguinity; or
3-9 (vi) a person regulated by this state as a
3-10 mortgage broker; and
3-11 (Q) is made on the condition that:
3-12 (i) the owner of the homestead is not
3-13 required to apply the proceeds of the extension of credit to repay
3-14 another debt except debt secured by the homestead or debt to another
3-15 lender;
3-16 (ii) the owner of the homestead not assign
3-17 wages as security for the extension of credit;
3-18 (iii) the owner of the homestead not sign
3-19 any instrument in which blanks are left to be filled in;
3-20 (iv) the owner of the homestead not sign a
3-21 confession of judgment or power of attorney to the lender or to a
3-22 third person to confess judgment or to appear for the owner in a
3-23 judicial proceeding;
3-24 (v) the lender, at the time the extension of
3-25 credit is made, provide the owner of the homestead a copy of all
3-26 documents signed by the owner related to the extension of credit;
3-27 (vi) the security instruments securing the
3-28 extension of credit contain a disclosure that the extension of
3-29 credit is the type of credit defined by Section 50(a)(6), Article
3-30 XVI, Texas Constitution;
3-31 (vii) within a reasonable time after
3-32 termination and full payment of the extension of credit, the lender
3-33 cancel and return the promissory note to the owner of the homestead
3-34 and give the owner, in recordable form, a release of the lien
3-35 securing the extension of credit or a copy of an endorsement and
3-36 assignment of the lien to a lender that is refinancing the extension
3-37 of credit;
3-38 (viii) the owner of the homestead and any
3-39 spouse of the owner may, within three days after the extension of
3-40 credit is made, rescind the extension of credit without penalty or
3-41 charge;
3-42 (ix) the owner of the homestead and the
3-43 lender sign a written acknowledgment as to the fair market value of
3-44 the homestead property on the date the extension of credit is made;
3-45 ~~and~~
3-46 (x) the lender or any holder of the note for
3-47 the extension of credit shall forfeit all principal and interest of
3-48 the extension of credit if:
3-49 (a) the extension of credit is made by
3-50 a person other than a person described under Paragraph (P) of this
3-51 subdivision;
3-52 (b) the extension of credit was not
3-53 made voluntarily under a written agreement with the consent of each
3-54 owner and each owner's spouse;
3-55 (c) the principal amount of the
3-56 extension exceeds the amount described under Paragraph (B) of this
3-57 subdivision on the date the extension of credit is made and the
3-58 lender fails to send the owner written acknowledgement that the
3-59 lien is valid only in the amount that does not exceed the permitted
3-60 percentage;
3-61 (d) the extension of credit is secured
3-62 by additional property other than the homestead and the lender
3-63 fails to send the owner written acknowledgement that the lien is
3-64 valid only against the homestead property;
3-65 (e) the extension of credit is made
3-66 when a prior lien described under this subdivision is secured by the
3-67 homestead and the lender or holder fails to send the owner written
3-68 acknowledgement that the accrual of interest and all of the owner's
3-69 obligations under the extension of credit are abated until such

4-1 time as the prior lien remains secured by the homestead;
 4-2 (f) the borrower pays more than an
 4-3 amount permitted by this section and the lender fails to adjust the
 4-4 account of the borrower to ensure that the borrower is not required
 4-5 to pay more than a permitted amount or reimburse the overpayment to
 4-6 the borrower;

4-7 (g) the extension of credit includes a
 4-8 term or provision prohibited by this section and the lender fails to
 4-9 change the term or provision to ensure that the borrower is not
 4-10 subject to the prohibited term or provision; or

4-11 (h) the lender or holder otherwise
 4-12 fails to:

4-13 (1) comply with the lender's or
 4-14 holder's obligations under the extension of credit;

4-15 (2) cure the failure to comply
 4-16 under Items (c)-(g) of this subparagraph;

4-17 (3) pay the borrower \$1,000; and

4-18 (4) offer the borrower the right
 4-19 to refinance the outstanding principal balance of the extension of
 4-20 credit with the lender or holder at no cost to the owner for the
 4-21 remaining term of the loan at the same or lower rate of interest as
 4-22 the original extension of credit with modifications to terms that
 4-23 are necessary to comply with this section; and

4-24 (xi) the lender or holder take any action as
 4-25 may be required under Subparagraphs (c)-(h) of this paragraph not
 4-26 later than the 60th day after the date the borrower notifies the
 4-27 lender of the failure to comply [~~within a reasonable time after the~~
 4-28 ~~lender or holder is notified by the borrower of the lender's failure~~
 4-29 ~~to comply~~];

4-30 (7) a reverse mortgage; or

4-31 (8) the conversion and refinance of a personal
 4-32 property lien secured by a manufactured home to a lien on real
 4-33 property, including the refinance of the purchase price of the
 4-34 manufactured home, the cost of installing the manufactured home on
 4-35 the real property, and the refinance of the purchase price of the
 4-36 real property.

4-37 SECTION 2. Subsection (g), Section 50, Article XVI, Texas
 4-38 Constitution, is amended to read as follows:

4-39 (g) An extension of credit described by Subsection (a)(6) of
 4-40 this section may be secured by a valid lien against homestead
 4-41 property if the extension of credit is not closed before the 12th
 4-42 day after the lender provides the owner with the following written
 4-43 notice on a separate instrument:

4-44 "NOTICE CONCERNING EXTENSIONS OF CREDIT DEFINED BY SECTION
 4-45 50(a)(6), ARTICLE XVI, TEXAS CONSTITUTION:

4-46 "SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION
 4-47 ALLOWS CERTAIN LOANS TO BE SECURED AGAINST THE EQUITY IN YOUR HOME.
 4-48 SUCH LOANS ARE COMMONLY KNOWN AS EQUITY LOANS. IF YOU DO NOT REPAY
 4-49 THE LOAN OR IF YOU FAIL TO MEET THE TERMS OF THE LOAN, THE LENDER MAY
 4-50 FORECLOSE AND SELL YOUR HOME. THE CONSTITUTION PROVIDES THAT:

4-51 "(A) THE LOAN MUST BE VOLUNTARILY CREATED WITH THE CONSENT
 4-52 OF EACH OWNER OF YOUR HOME AND EACH OWNER'S SPOUSE;

4-53 "(B) THE PRINCIPAL LOAN AMOUNT AT THE TIME THE LOAN IS MADE
 4-54 MUST NOT EXCEED AN AMOUNT THAT, WHEN ADDED TO THE PRINCIPAL BALANCES
 4-55 OF ALL OTHER LIENS AGAINST YOUR HOME, IS MORE THAN 80 PERCENT OF THE
 4-56 FAIR MARKET VALUE OF YOUR HOME;

4-57 "(C) THE LOAN MUST BE WITHOUT RECOURSE FOR PERSONAL
 4-58 LIABILITY AGAINST YOU AND YOUR SPOUSE UNLESS YOU OR YOUR SPOUSE
 4-59 OBTAINED THIS EXTENSION OF CREDIT BY ACTUAL FRAUD;

4-60 "(D) THE LIEN SECURING THE LOAN MAY BE FORECLOSED UPON ONLY
 4-61 WITH A COURT ORDER;

4-62 "(E) FEES AND CHARGES TO MAKE THE LOAN MAY NOT EXCEED 3
 4-63 PERCENT OF THE LOAN AMOUNT;

4-64 "(F) THE LOAN MAY NOT BE AN OPEN-END ACCOUNT THAT MAY BE
 4-65 DEBITED FROM TIME TO TIME OR UNDER WHICH CREDIT MAY BE EXTENDED
 4-66 FROM TIME TO TIME UNLESS IT IS A HOME EQUITY LINE OF CREDIT;

4-67 "(G) YOU MAY PREPAY THE LOAN WITHOUT PENALTY OR CHARGE;

4-68 "(H) NO ADDITIONAL COLLATERAL MAY BE SECURITY FOR THE LOAN;

4-69 "(I) THE LOAN MAY NOT BE SECURED BY AGRICULTURAL HOMESTEAD

5-1 PROPERTY, UNLESS THE AGRICULTURAL HOMESTEAD PROPERTY IS USED
5-2 PRIMARILY FOR THE PRODUCTION OF MILK;

5-3 "(J) YOU ARE NOT REQUIRED TO REPAY THE LOAN EARLIER THAN
5-4 AGREED SOLELY BECAUSE THE FAIR MARKET VALUE OF YOUR HOME DECREASES
5-5 OR BECAUSE YOU DEFAULT ON ANOTHER LOAN THAT IS NOT SECURED BY YOUR
5-6 HOME;

5-7 "(K) ONLY ONE LOAN DESCRIBED BY SECTION 50(a)(6), ARTICLE
5-8 XVI, OF THE TEXAS CONSTITUTION MAY BE SECURED WITH YOUR HOME AT ANY
5-9 GIVEN TIME;

5-10 "(L) THE LOAN MUST BE SCHEDULED TO BE REPAYED IN PAYMENTS
5-11 THAT EQUAL OR EXCEED THE AMOUNT OF ACCRUED INTEREST FOR EACH PAYMENT
5-12 PERIOD;

5-13 "(M) THE LOAN MAY NOT CLOSE BEFORE 12 DAYS AFTER YOU SUBMIT A
5-14 WRITTEN APPLICATION TO THE LENDER OR BEFORE 12 DAYS AFTER YOU
5-15 RECEIVE THIS NOTICE, WHICHEVER DATE IS LATER; AND IF YOUR HOME WAS
5-16 SECURITY FOR THE SAME TYPE OF LOAN WITHIN THE PAST YEAR, A NEW LOAN
5-17 SECURED BY THE SAME PROPERTY MAY NOT CLOSE BEFORE ONE YEAR HAS
5-18 PASSED FROM THE CLOSING DATE OF THE OTHER LOAN;

5-19 "(N) THE LOAN MAY CLOSE ONLY AT THE OFFICE OF THE LENDER,
5-20 TITLE COMPANY, OR AN ATTORNEY AT LAW;

5-21 "(O) THE LENDER MAY CHARGE ANY FIXED OR VARIABLE RATE OF
5-22 INTEREST AUTHORIZED BY STATUTE;

5-23 "(P) ONLY A LAWFULLY AUTHORIZED LENDER MAY MAKE LOANS
5-24 DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS
5-25 CONSTITUTION; ~~[AND]~~

5-26 "(Q) LOANS DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF
5-27 THE TEXAS CONSTITUTION MUST:

5-28 "(1) NOT REQUIRE YOU TO APPLY THE PROCEEDS TO ANOTHER
5-29 DEBT EXCEPT A DEBT THAT IS ~~[NOT]~~ SECURED BY YOUR HOME OR OWED TO
5-30 ANOTHER ~~[DEBT TO THE SAME]~~ LENDER;

5-31 "(2) NOT REQUIRE THAT YOU ASSIGN WAGES AS SECURITY;

5-32 "(3) NOT REQUIRE THAT YOU EXECUTE INSTRUMENTS WHICH
5-33 HAVE BLANKS LEFT TO BE FILLED IN;

5-34 "(4) NOT REQUIRE THAT YOU SIGN A CONFESSION OF
5-35 JUDGMENT OR POWER OF ATTORNEY TO ANOTHER PERSON TO CONFESS JUDGMENT
5-36 OR APPEAR IN A LEGAL PROCEEDING ON YOUR BEHALF;

5-37 "(5) PROVIDE THAT YOU RECEIVE A COPY OF ALL DOCUMENTS
5-38 YOU SIGN AT CLOSING;

5-39 "(6) PROVIDE THAT THE SECURITY INSTRUMENTS CONTAIN A
5-40 DISCLOSURE THAT THIS LOAN IS A LOAN DEFINED BY SECTION 50(a)(6),
5-41 ARTICLE XVI, OF THE TEXAS CONSTITUTION;

5-42 "(7) PROVIDE THAT WHEN THE LOAN IS PAID IN FULL, THE
5-43 LENDER WILL SIGN AND GIVE YOU A RELEASE OF LIEN OR AN ASSIGNMENT OF
5-44 THE LIEN, WHICHEVER IS APPROPRIATE;

5-45 "(8) PROVIDE THAT YOU MAY, WITHIN 3 DAYS AFTER
5-46 CLOSING, RESCIND THE LOAN WITHOUT PENALTY OR CHARGE;

5-47 "(9) PROVIDE THAT YOU AND THE LENDER ACKNOWLEDGE THE
5-48 FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LOAN CLOSES; AND

5-49 "(10) PROVIDE THAT THE LENDER WILL FORFEIT ALL
5-50 PRINCIPAL AND INTEREST IF THE LENDER FAILS TO COMPLY WITH THE
5-51 LENDER'S OBLIGATIONS UNLESS THE LENDER CURES THE FAILURE TO COMPLY
5-52 AS PROVIDED BY SECTION 50(a)(6)(Q)(x), ARTICLE XVI, OF THE TEXAS
5-53 CONSTITUTION; AND

5-54 "(R) IF THE LOAN IS A HOME EQUITY LINE OF CREDIT:

5-55 "(1) YOU MAY REQUEST ADVANCES, REPAY MONEY, AND
5-56 REBORROW MONEY UNDER THE LINE OF CREDIT;

5-57 "(2) EACH ADVANCE UNDER THE LINE OF CREDIT MUST BE IN
5-58 AN AMOUNT OF AT LEAST \$4,000;

5-59 "(3) YOU MAY NOT USE A CREDIT CARD, DEBIT CARD,
5-60 SOLICITATION CHECK, OR SIMILAR DEVICE TO OBTAIN ADVANCES UNDER THE
5-61 LINE OF CREDIT;

5-62 "(4) ANY FEES THE LENDER CHARGES MAY BE CHARGED AND
5-63 COLLECTED ONLY AT THE TIME THE LINE OF CREDIT IS ESTABLISHED AND THE
5-64 LENDER MAY NOT CHARGE A FEE IN CONNECTION WITH ANY ADVANCE;

5-65 "(5) THE MAXIMUM PRINCIPAL AMOUNT THAT MAY BE
5-66 EXTENDED, WHEN ADDED TO ALL OTHER DEBTS SECURED BY YOUR HOME, MAY
5-67 NOT EXCEED 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME ON THE
5-68 DATE THE LINE OF CREDIT IS ESTABLISHED;

5-69 "(6) IF THE PRINCIPAL BALANCE UNDER THE LINE OF CREDIT

6-1 AT ANY TIME EXCEEDS 50 PERCENT OF THE FAIR MARKET VALUE OF YOUR
6-2 HOME, AS DETERMINED ON THE DATE THE LINE OF CREDIT IS ESTABLISHED,
6-3 YOU MAY NOT CONTINUE TO REQUEST ADVANCES UNDER THE LINE OF CREDIT
6-4 UNTIL THE BALANCE IS LESS THAN 50 PERCENT OF THE FAIR MARKET VALUE;
6-5 AND

6-6 "(7) THE LENDER MAY NOT UNILATERALLY AMEND THE TERMS
6-7 OF THE LINE OF CREDIT.

6-8 "THIS NOTICE IS ONLY A SUMMARY OF YOUR RIGHTS UNDER THE TEXAS
6-9 CONSTITUTION. YOUR RIGHTS ARE GOVERNED BY SECTION 50, ARTICLE XVI,
6-10 OF THE TEXAS CONSTITUTION, AND NOT BY THIS NOTICE."

6-11 If the discussions with the borrower are conducted primarily
6-12 in a language other than English, the lender shall, before closing,
6-13 provide an additional copy of the notice translated into the
6-14 written language in which the discussions were conducted.

6-15 SECTION 3. Section 50, Article XVI, Texas Constitution, is
6-16 amended by adding Subsections (t) and (u) to read as follows:

6-17 (t) A home equity line of credit is a form of an open-end
6-18 account that may be debited from time to time, under which credit
6-19 may be extended from time to time and under which:

6-20 (1) the owner requests advances, repays money, and
6-21 reborrows money;

6-22 (2) any single debit or advance is not less than
6-23 \$4,000;

6-24 (3) the owner does not use a credit card, debit card,
6-25 preprinted solicitation check, or similar device to obtain an
6-26 advance;

6-27 (4) any fees described by Subsection (a)(6)(E) of this
6-28 section are charged and collected only at the time the extension of
6-29 credit is established and no fee is charged or collected in
6-30 connection with any debit or advance;

6-31 (5) the maximum principal amount that may be extended
6-32 under the account, when added to the aggregate total of the
6-33 outstanding principal balances of all indebtedness secured by the
6-34 homestead on the date the extension of credit is established, does
6-35 not exceed an amount described under Subsection (a)(6)(B) of this
6-36 section;

6-37 (6) no additional debits or advances are made if the
6-38 total principal amount outstanding exceeds an amount equal to 50
6-39 percent of the fair market value of the homestead as determined on
6-40 the date the account is established;

6-41 (7) the lender or holder may not unilaterally amend
6-42 the extension of credit; and

6-43 (8) repayment is to be made in regular periodic
6-44 installments, not more often than every 14 days and not less often
6-45 than monthly, beginning not later than two months from the date the
6-46 extension of credit is established, and:

6-47 (A) during the period during which the owner may
6-48 request advances, each installment equals or exceeds the amount of
6-49 accrued interest; and

6-50 (B) after the period during which the owner may
6-51 request advances, installments are substantially equal.

6-52 (u) The legislature may by statute delegate one or more
6-53 state agencies the power to interpret Subsections (a)(5)-(a)(7),
6-54 (e)-(p), and (t), of this section. An act or omission does not
6-55 violate a provision included in those subsections if the act or
6-56 omission conforms to an interpretation of the provision that is:

6-57 (1) in effect at the time of the act or omission; and

6-58 (2) made by a state agency to which the power of
6-59 interpretation is delegated as provided by this subsection or by an
6-60 appellate court of this state or the United States.

6-61 SECTION 4. This proposed constitutional amendment shall be
6-62 submitted to the voters at an election to be held November 4, 2003.
6-63 The ballot shall be printed to permit voting for or against the
6-64 proposition: "The constitutional amendment authorizing a home
6-65 equity line of credit, providing for administrative interpretation
6-66 of home equity lending law, and otherwise relating to the making,
6-67 refinancing, repayment, and enforcement of home equity loans."

6-68 * * * * *