

By: Dawson

H.B. No. 822

A BILL TO BE ENTITLED

AN ACT

relating to certain sellers of homes offering a benefit contingent on the use of a specific mortgage lender.

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

SECTION 1. Subchapter D, Chapter 35, Business & Commerce Code, is amended by adding Section 35.42 to read as follows:

Sec. 35.42. SELLER PROHIBITED FROM MAKING BENEFIT CONTINGENT ON USE OF MORTGAGE LENDER. (a) A person who builds and sells a single-family residence may not offer or provide a benefit to a potential purchaser of the residence as consideration for the purchaser's agreement to use a mortgage lender specified by the person for a loan to purchase the residence.

(b) A person who violates Subsection (a) is liable to the purchaser for:

(1) any damages arising from the violation; and

(2) reasonable attorney's fees and costs.

(c) A purchaser may not waive the right to sue under Subsection (b).

SECTION 2. This Act applies only to the sale of a single-family residence closed on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2005.