

By: Flynn

H.B. No. 1087

A BILL TO BE ENTITLED

AN ACT

relating to exemption of certain entities related to a credit union from regulation as a mortgage broker.

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

SECTION 1. Section 156.202, Finance Code, is amended to read as follows:

Sec. 156.202. EXEMPTIONS. This chapter does not apply to:

(1) any of the following entities or an employee of any of the following entities provided the employee is acting for the benefit of the employer:

(A) a bank, savings bank, or savings and loan association, or a subsidiary or an affiliate of a bank, savings bank, or savings and loan association;

(B) a state or federal credit union or a credit union service organization of a state or federal credit union;

(C) an insurance company licensed or authorized to do business in this state under the Insurance Code;

(D) a mortgage banker;

(E) an organization that qualifies for an exemption from state franchise and sales tax as a 501(c)(3) organization;

(F) a Farm Credit System institution; or

(G) a political subdivision of this state involved in affordable home ownership programs;

1 (2) an individual who makes a mortgage loan from the
2 individual's own funds to a spouse, former spouse, or persons in the
3 lineal line of consanguinity of the individual lending the money;

4 (3) an owner of real property who makes a mortgage loan
5 to a purchaser of the property for all or part of the purchase price
6 of the real estate against which the mortgage is secured; or

7 (4) an individual who:

8 (A) makes a mortgage loan from the individual's
9 own funds;

10 (B) is not an authorized lender under Chapter
11 342, Finance Code; and

12 (C) does not regularly engage in the business of
13 making or brokering mortgage loans.

14 SECTION 2. This Act takes effect September 1, 2005.