

1-1 By: Paxton (Senate Sponsor - Harris) H.B. No. 1234  
1-2 (In the Senate - Received from the House May 16, 2005;  
1-3 May 17, 2005, read first time and referred to Committee on Business  
1-4 and Commerce; May 20, 2005, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the appointment of substitute trustees in certain  
1-9 foreclosures.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 51.0075, Property Code, is amended by  
1-12 amending Subsection (c) and adding Subsections (d) and (e) to read  
1-13 as follows:

1-14 (c) Notwithstanding any agreement to the contrary, a [A]  
1-15 mortgagee may appoint or may authorize a mortgage servicer to  
1-16 appoint a [perpetual] substitute trustee or substitute trustees to  
1-17 succeed to all title, powers, and duties of the original trustee. A  
1-18 mortgagee or mortgage servicer may make an appointment or  
1-19 authorization under this subsection by power of attorney, corporate  
1-20 resolution, or other written instrument. [The power of attorney or  
1-21 written instrument must be signed by the mortgagee's  
1-22 representative, acknowledged, and sworn to with a jurat.]

1-23 (d) A mortgage servicer may authorize an attorney to appoint  
1-24 a substitute trustee or substitute trustees on behalf of a  
1-25 mortgagee under Subsection (c).

1-26 (e) The name and a street address for a trustee or  
1-27 substitute trustees shall be disclosed on the notice required by  
1-28 Section 51.002(b).

1-29 SECTION 2. The changes in law made by this Act apply to a  
1-30 security instrument or other contract executed on or after the  
1-31 effective date of this Act and to a security instrument or other  
1-32 contract executed before the date of this Act that does not conflict  
1-33 with the changes in law made by this Act. A security instrument or  
1-34 other contract executed before the effective date of this Act that  
1-35 conflicts with the changes in law made by this Act is governed by  
1-36 the law in effect at the time the security instrument or other  
1-37 contract was executed, and the former law is continued in effect for  
1-38 that purpose.

1-39 SECTION 3. This Act takes effect September 1, 2005.

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