

AN ACT

relating to a study of residential foreclosures in certain counties.

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

SECTION 1. Subchapter K, Chapter 2306, Government Code, is amended by adding Section 2306.260 to read as follows:

Sec. 2306.260. STUDY REGARDING RESIDENTIAL FORECLOSURES.

(a) The department shall conduct a study to examine mortgage foreclosure rates in Bexar, Cameron, Dallas, El Paso, Harris, and Travis Counties and shall establish an advisory committee to direct the focus of the study. The advisory committee shall be composed of:

(1) the director or the director's representative;

(2) the savings and loan commissioner or the commissioner's representative;

(3) four members appointed by the director who represent community and consumer interests;

(4) four members appointed by the savings and loan commissioner who represent the mortgage lending industry; and

(5) a representative of the Texas Housing Research Consortium at The University of Texas at Austin.

(b) The representative of the Texas Housing and Research Consortium at The University of Texas at Austin serves as chair of the advisory committee.

1 (c) The advisory committee established under Subsection (a)
2 shall address the following topics in the study:

3 (1) the extent to which the terms of mortgages are
4 related to the foreclosure rate and whether the terms could be
5 offered in a manner to reduce the likelihood of foreclosures;

6 (2) the socioeconomic and geographic elements
7 characterizing foreclosures;

8 (3) the securitization of mortgages in the secondary
9 market and its effect on foreclosures;

10 (4) consumer education efforts to prevent
11 foreclosures; and

12 (5) recommendations to reduce foreclosures and the
13 foreclosure rate across this state.

14 (d) The advisory committee shall determine the methodology
15 to be used in conducting the study. The methodology used to study
16 the topics listed in Subsections (c)(1), (2), and (3) must include a
17 statistically significant sample size.

18 (e) All findings of the advisory committee must be approved
19 by a majority of the members of the advisory committee.

20 (f) To obtain information to conduct the study, the
21 department may contract with appropriate organizations, public or
22 private institutions of higher education, and entities with
23 experience in conducting real estate or mortgage research. All
24 state agencies, boards, commissions, and institutions of higher
25 education shall comply with requests from the department for
26 information or assistance in conducting the study.

27 (g) All information used to conduct the study must be

1 accessible to the department, the Savings and Loan Department, and
2 the legislature. The department shall prepare a consolidated
3 analysis and recapitulation of the information used to conduct the
4 study and shall make the analysis and recapitulation available to
5 the public. The department shall ensure that the analysis and
6 recapitulation of the information used to conduct the study contain
7 only aggregate data and do not contain data specific to any
8 mortgage.

9 (h) Except as provided by other law, private, confidential,
10 and privileged information obtained for the production of any
11 public reports is the property of the parties to the mortgage and is
12 not subject to the disclosure provisions of Chapter 552.

13 (i) The department shall report to the governor, the
14 lieutenant governor, and the speaker of the house of
15 representatives on the study and its results not later than
16 September 1, 2006.

17 (j) To conduct the study, the department may use money
18 available under Section 1372.006(a-1), and the department or
19 advisory committee may seek and accept grants and donations.

20 (k) This section expires February 1, 2007.

21 SECTION 2. Section 1372.006, Government Code, is amended by
22 adding Subsection (a-1) to read as follows:

23 (a-1) In addition to being used in the affordable housing
24 research and information program under Section 2306.259, money
25 transferred to the Texas Department of Housing and Community
26 Affairs may be used by the department to conduct the study regarding
27 residential foreclosures, as provided by Section 2306.260. This

1 subsection expires February 1, 2007.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2005.

H.B. No. 1582

President of the Senate

Speaker of the House

I certify that H.B. No. 1582 was passed by the House on May 10, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1582 on May 27, 2005, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1582 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor