

By: Chavez

H.B. No. 1582

A BILL TO BE ENTITLED

AN ACT

relating to a study of subprime mortgage lending practices 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 SUBPRIME MORTGAGE LENDING PRACTICES. (a) The department shall conduct a study to examine subprime mortgage lending practices in Bexar, Cameron, Dallas, El Paso, and Travis Counties. The study must:

(1) identify common predatory subprime mortgage lending practices in those counties;

(2) using the most recent information published by the United States Census Bureau, determine the subprime mortgage lending rates for extremely low, very low, and low income individuals and families in each census tract in a county studied under this section; and

(3) for each census tract, analyze the general relationship between subprime mortgage lending and foreclosure rates, including the impact of subprime mortgage lending on those rates.

(b) The department may contract with an appropriate organization to conduct the study on the department's behalf.

(c) The department shall report to the governor, the

1 lieutenant governor, and the speaker of the house of
2 representatives on the study and its results not later than
3 September 1, 2006.

4 (d) To conduct the study, the department or organization may
5 use money available for the affordable housing research and
6 information program under Section 2306.259.

7 (e) This section expires February 1, 2007.

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