

By: Chavez (Senate Sponsor - Ellis) H.B. No. 1582
(In the Senate - Received from the House May 11, 2005;
May 13, 2005, read first time and referred to Committee on
Intergovernmental Relations; May 20, 2005, reported adversely,
with favorable Committee Substitute by the following vote: Yeas 5,
Nays 0; May 20, 2005, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 1582 By: Wentworth

A BILL TO BE ENTITLED
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.

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

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

(2) the socioeconomic and geographic elements
characterizing foreclosures;

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

(4) consumer education efforts to prevent
foreclosures; and

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

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

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

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

(g) All information used to conduct the study must be
accessible to the department, the Savings and Loan Department, and
the legislature. The department shall prepare a consolidated
analysis and recapitulation of the information used to conduct the
study and shall make the analysis and recapitulation available to

the public. The department shall ensure that the analysis and recapitulation of the information used to conduct the study contain only aggregate data and do not contain data specific to any mortgage.

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

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

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

(k) This section expires February 1, 2007.

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

(a-1) In addition to being used in the affordable housing research and information program under Section 2306.259, money transferred to the Texas Department of Housing and Community Affairs may be used by the department to conduct the study regarding residential foreclosures, as provided by Section 2306.260. This subsection expires February 1, 2007.

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

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