

A BILL TO BE ENTITLED

AN ACT

relating to disclosures required in connection with certain home loans.

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

SECTION 1. Subchapter B, Chapter 343, Finance Code, is amended by adding Section 343.102 to read as follows:

Sec. 343.102. DISCLOSURE IN CONNECTION WITH CERTAIN HOME LOANS. For a home loan with an interest rate of 12 percent or greater a year, when the lender makes the disclosure required under the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. Section 2601 et seq.), for the good faith estimate, or if that Act does not apply, three business days after the date the application is made, the lender shall also provide to the borrower:

(1) a statement regarding the value of mortgage counseling before taking out a home loan;

(2) a list of the nearest available housing counseling agencies approved by the United States Department of Housing and Urban Development;

(3) a list of other resources where mortgage information can be found, including toll-free telephone numbers and on-line resources; and

(4) other disclosures required by the finance commission, including an official notice regarding high-cost home loans.

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect on the 91st day after the last day of the
6 legislative session.