

By: Carona

S.J.R. No. 7

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing line-of-credit
2 advances under a reverse mortgage.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 50(p), Article XVI, Texas Constitution,
5 is amended to read as follows:

6 (p) The advances made on a reverse mortgage loan under which
7 more than one advance is made must be made according to the terms
8 established by the loan documents by one or more of the following
9 methods:

10 (1) an initial advance at any time and future advances
11 at regular intervals;

12 (2) an initial advance at any time and future advances
13 at regular intervals in which the amounts advanced may be reduced,
14 for one or more advances, at the request of the borrower; [~~or~~]

15 (3) an initial advance at any time and future advances
16 at times and in amounts requested by the borrower until the credit
17 limit established by the loan documents is reached;

18 (4) an initial advance at any time, future advances at
19 times and in amounts requested by the borrower until the credit
20 limit established by the loan documents is reached, and subsequent
21 advances at times and in amounts requested by the borrower to the
22 extent that the outstanding balance is repaid; or

23 (5) at any time by the lender, on behalf of the
24 borrower, if the borrower fails to timely pay any of the following

1 that the borrower is obligated to pay under the loan documents to
2 the extent necessary to protect the lender's interest in or the
3 value of the homestead property:

4 (A) taxes;

5 (B) insurance;

6 (C) costs of repairs or maintenance performed by
7 a person or company that is not an employee of the lender or a person
8 or company that directly or indirectly controls, is controlled by,
9 or is under common control with the lender;

10 (D) assessments levied against the homestead
11 property; and

12 (E) any lien that has, or may obtain, priority
13 over the lender's lien as it is established in the loan documents.

14 SECTION 2. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held November 8, 2005.
16 The ballot shall be printed to permit voting for or against the
17 proposition: "The constitutional amendment authorizing
18 line-of-credit advances under a reverse mortgage."