

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 27, 2005**

**TO:** Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB637** by Goolsby (relating to authorizing an extension of credit secured by a residence homestead in which a minor or ward has an ownership interest. ), **Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Section 781, Probate Code, to authorize the guardian of an estate on a ward's behalf to receive an extension of credit by a lien on real property that is the homestead of the ward, under court order, to make improvements or repairs to the homestead or to pay for education or medical expenses of the ward.

The bill would add Sections 889A and 890A to Subpart F, Part 5, Chapter 13, Probate Code to authorize extending credit secured by a residence homestead with a net value not to exceed \$100,000 in which a minor has ownership. The bill would establish the court procedures that must be followed to obtain permission to obtain an applicable home equity loan.

The bill would take effect September 1, 2005.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 450 Savings and Loan Department, 451 Department of Banking

**LBB Staff:** JOB, JRO, DLBa