

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 11, 2005

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

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

IN RE: HB1582 by Chavez (Relating to a study of subprime mortgage lending practices in certain counties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add Section 2306.260 to the Government Code to require the Department of Housing and Community Affairs, or its contractor, to conduct a study of subprime mortgage lending in Bexar, Cameron, Dallas, El Paso, and Travis Counties. The bill would require the study to identify common predatory lending practices in those counties; determine the subprime mortgage lending rates for extremely low, very low, and low income individuals and families in each census tract of each county studied; and for each census tract, analyze the relationship between subprime lending rates and foreclosure rates. The bill would require the Department of Housing and Community Affairs to report to the Governor, the Lieutenant Governor, and the Speaker of the House on the study and its results not later than September 1, 2006.

Based on the analysis of the Department of Housing and Community Affairs, the costs and duties associated with implementing the bill could be absorbed within existing resources.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, JRO, MW, TG