

## **BILL ANALYSIS**

S.B. 645  
By: Ellis  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

S.B. 645 establishes a professional study to examine mortgage foreclosure rates in the Houston-Sugarland-Baytown Metropolitan Statistical Area. The study is to be conducted by the University of Houston. Additionally, this bill establishes an advisory committee to direct the focus of the study.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 343, Finance Code, by adding Section 343.105, as follows:

Sec. 343.105. STUDY REGARDING RESIDENTIAL FORECLOSURES. (a) Requires the University of Houston (university) to conduct a study to examine mortgage foreclosure rates in the Houston-Sugar Land-Baytown Metropolitan Statistical Area, as defined by the U.S. Office of Management and Budget, and to establish an advisory committee to direct the focus of the study. Requires the advisory committee to be composed of certain members.

(b) Provides that the president of the university serves as chair of the advisory committee.

(c) Requires the advisory committee established under Subsection (a) to address in the study the causes of foreclosures in the metropolitan statistical area from the perspective of the borrower, lender, mortgage originator, mortgage services provider, housing developer, secondary market representative, industry oversight agency, federal and state prosecutor, and consumer advocate.

(d) Requires the advisory committee to determine the methodology to be used in conducting the study. Requires the study to be based on original research at the level of the individual borrower, including personal interviews with borrowers.

(e) Requires all findings of the advisory committee to be approved by a majority of the members of the advisory committee.

(f) Provides that, 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 (Public Information), Government Code.

(g) Requires the university to 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, 2008.

(h) Provides that this section expires February 1, 2009.

SECTION 2. Makes application of this Act contingent upon a specific appropriation for the implementation of this Act being provided in H.B. No. 1 (General Appropriations Act), Acts of the 80th Legislature, Regular Session, 2007.

SECTION 3. Effective date: upon passage or September 1, 2007.

**EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.