

By: Paxton

H.B. No. 692

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to regulation of persons making certain loans secured by  
3 real property.

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

5 SECTION 1. Section 156.002(10), Finance Code, is amended to  
6 read as follows:

7 (10) "Mortgage loan" means a debt against real estate  
8 secured by a [~~first-lien~~] security interest against one-to-four  
9 family residential real estate created by a deed of trust, security  
10 deed, or other security instrument.

11 SECTION 2. Section 157.002(3), Finance Code, is amended to  
12 read as follows:

13 (3) "Mortgage loan" means a debt secured by a [~~first~~]  
14 lien on residential real property designed principally for  
15 occupancy by one to four families that is created by a deed of  
16 trust, security deed, or other security instrument.

17 SECTION 3. (a) Subject to Section 5 of this Act, Subchapter  
18 A, Chapter 156, Finance Code, is amended by adding Section 156.0021  
19 to read as follows:

20 Sec. 156.0021. APPLICATION TO CERTAIN TAX LIENS. For the  
21 purposes of this chapter, a debt created in connection with  
22 transfer of a tax lien under Section 32.06, Tax Code, or in  
23 connection with a contract for foreclosure of lien under Section  
24 32.065, Tax Code, is considered a mortgage loan.

1 (b) Subject to Section 5 of this Act, Chapter 157, Finance  
2 Code, is amended by adding Section 157.0021 to read as follows:

3 Sec. 157.0021. APPLICATION TO CERTAIN TAX LIENS. For the  
4 purposes of this chapter, a debt created in connection with  
5 transfer of a tax lien under Section 32.06, Tax Code, or in  
6 connection with a contract for foreclosure of lien under Section  
7 32.065, Tax Code, is considered a mortgage loan.

8 SECTION 4. Section 342.051, Finance Code, is amended by  
9 adding Subsection (f) to read as follows:

10 (f) A mortgage broker licensed under Chapter 156 or mortgage  
11 banker registered under Chapter 157 is not required to obtain a  
12 license under this chapter to make, negotiate, or transact a  
13 mortgage loan, as defined by Chapter 156 or 157, as applicable.

14 SECTION 5. If another enactment of the 80th Legislature,  
15 Regular Session, 2007, becomes law and grants regulatory  
16 jurisdiction to an officer or agency other than the Department of  
17 Savings and Mortgage Lending over persons making, negotiating, or  
18 transacting a loan in connection with transfer of a tax lien under  
19 Section 32.06, Tax Code, or in connection with a contract for  
20 foreclosure of lien under Section 32.065, Tax Code, Section 3 of  
21 this Act has no effect.

22 SECTION 6. This Act takes effect September 1, 2007.