

By: Hilderbran

H.B. No. 3842

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the issuance of statements of ownership and location
3 for manufactured homes to certain lienholders without the consent
4 of the owners of those homes.

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

6 SECTION 1. Subchapter E, Chapter 1201, Occupations Code, is
7 amended by adding Section 1201.2077 to read as follows:

8 Sec. 1201.2077. ISSUANCE OF STATEMENT OF OWNERSHIP AND
9 LOCATION TO CERTAIN LIENHOLDERS WITHOUT OWNER'S CONSENT. (a) This
10 section applies only to a manufactured home:

11 (1) that is eligible for conversion from personal
12 property to real property under this subchapter;

13 (2) that, together with the real property to which the
14 home is attached, secures a first lien that is in default and
15 subject to foreclosure; and

16 (3) for which the holder of the first lien and the
17 borrower-owner at the time of the creation of the lien entered into
18 a written agreement to convert the home to real property.

19 (b) A lienholder that seeks to foreclose a first lien on a
20 manufactured home described by Subsection (a) may apply without the
21 consent of the borrower-owner for the issuance of a new statement of
22 ownership and location that reflects an intent to convert the home
23 from personal property to real property. An application under this
24 section must include an affidavit that:

1 (1) contains the election described by Section
2 1201.2055(a);

3 (2) documents the creation of the lien, the terms of
4 the written agreement to convert the home to real property, and the
5 lienholder's entitlement to foreclose the lien; and

6 (3) states that the borrower-owner failed to convert
7 the home to real property as required by the agreement with the
8 lienholder.

9 (c) Not later than the 15th working day after the date of
10 receipt of the completed application and subject to Section
11 1201.2075, the department shall issue a new statement of ownership
12 and location to the lienholder as trustee for the borrower-owner.

13 SECTION 2. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2007.