

Amend CSHB 1831 (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Title 5, Finance Code, is amended by adding Chapter 397 to read as follows:

CHAPTER 397. MORTGAGE SERVICERS

Sec. 397.001. DEFINITIONS. In this chapter, "mortgage servicer" and "mortgagee" have the meanings assigned by Section 51.0001, Property Code.

Sec. 397.002. INTEREST ON DISASTER REPAIR MONEY HELD BY MORTGAGE SERVICER. (a) A mortgage servicer holding money for more than 10 business days that is received from an insurance provider for repairs to a mortgagee's property following a disaster declared under Section 418.014, Government Code, shall pay interest to the mortgagee.

(b) For purposes of interest payments, the interest shall accrue from the time a mortgage servicer receives the money from an insurance provider.

(c) The interest rate that applies for the first 10 days after the money is received must be not less than the rate that the mortgage servicer receives on money held in the account in which the mortgage servicer held the money received from the insurance provider.

(d) The interest rate that applies after the 10th day is the minimum rate described by Subsection (c) plus two percent a year.