

BILL ANALYSIS

Senate Research Center
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H.B. 2840
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 80th Legislature, Regular Session, 2007, enacted H.B. 716 to address rising concerns regarding fraud in the residential mortgage arena. The effects of mortgage fraud on the residential lending industry range from monetary losses incurred by financial companies to criminal and administrative actions. Consumers consequently suffer higher loan rates and fees, stolen identities, and, quite possibly, impaired credit ratings. These losses increase the cost of financing for consumers and increase the risk to all participants in the mortgage process. This bill seeks to provide law enforcement and the Texas Department of Housing and Community Affairs (TDHCA) additional tools to fight fraudulent conduct in the mortgage lending process.

H.B. 2840 adds TDHCA to statutes relating to reporting, sharing information on, and investigating fraudulent activity. The bill makes it an offense to intentionally or knowingly make a false or misleading written statement in providing a property appraisal for compensation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 402.031(a)(1), Government Code, as added by Chapter 285 (H.B. 716), Acts of the 80th Legislature, Regular Session, 2007, to redefine "authorized governmental agency."

SECTION 2. Amends Section 402.032(c), Government Code, to provide that the residential mortgage fraud task force consists of certain persons or their appointees, including a representative of the Texas Department of Housing and Community Affairs (TDHCA).

SECTION 3. Amends Section 555.051(a), Government Code, to provide that this section applies only to information held by or for certain state agencies, including TDHCA, that relates to the possible commission of corporate fraud or mortgage fraud by a person who is licensed or otherwise regulated by any of those state agencies.

SECTION 4. Amends the heading to Section 32.32, Penal Code, to read as follows:

Sec. 32.32. FALSE STATEMENT TO OBTAIN PROPERTY OR CREDIT OR IN THE PROVISION OF CERTAIN SERVICES.

SECTION 5. Amends Section 32.32, Penal Code, by adding Subsection (b-1) and amending Subsection (d), as follows:

(b-1) Provides that a person commits an offense if the person intentionally or knowingly makes a materially false or misleading written statement in providing an appraisal of real property for compensation.

(d) Requires certain agencies, including TDHCA, to assist a prosecuting attorney of the United States or of a county or judicial district of this state, a county or state law enforcement agency of this state, or a federal law enforcement agency in the investigation of an offense under this section involving a mortgage loan.

SECTION 6. Effective date: September 1, 2009.