

BILL ANALYSIS

C.S.H.B. 3252
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Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law provides certain statutory protections to deter abusive lending practices and home loans that are considered high-cost loans as defined in federal law. However, a borrower currently has no remedy for a violation of these provisions.

C.S.H.B. 3252 makes a lender who knowingly violates provisions relating to high-cost home loans liable to a borrower for actual damages, injunctive relief, and reasonable attorney's fees.

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

C.S.H.B. 3252 amends the Finance Code to make a lender who knowingly violates a statutory provision regulating high-cost home loans liable, in addition to other remedies provided by law, to a borrower for actual damages arising from the violation, injunctive relief in relation to the violation, and reasonable attorney's fees incurred by the borrower in seeking the damages, injunctive relief, or both. An assignee of a high-cost home loan is not liable for a violation of this subchapter by the assignor of the loan.

EFFECTIVE DATE

September 1, 2010.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3252 differs from the original by specifying a lender who knowingly violates the subchapter is liable to the borrower, in addition to other remedies provided by law.

The substitute adds a provision not in the original that an assignee of a high-cost home loan is not liable for a violation of Subchapter C, Chapter 343, of the Finance Code.