

By: Davis of Dallas

H.B. No. 2675

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the foreclosure prevention program.

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

SECTION 1. Chapter 2306, Government Code, is amended by adding Subchapter X-1 to read as follows:

SUBCHAPTER X-1. FORECLOSURE PREVENTION PROGRAM

Sec. 2306.531. DEFINITION. In this subchapter, "program" means the foreclosure prevention program.

Sec. 2306.532. ESTABLISHMENT OF PROGRAM. The department shall establish the foreclosure prevention program to:

(1) make financing and refinancing education and assistance available to the public; and

(2) provide financial assistance to homeowners:

(A) facing foreclosure; or

(B) whose income is adversely affected by circumstances such as unemployment, a reduction of wages or hours of employment, illness, or the death of a spouse or other person contributing to the income of a homeowner, to the extent that the homeowner is unable to make mortgage payments on the home.

Sec. 2306.533. PROGRAM ADMINISTRATION. For purposes of the program, the department shall:

(1) investigate and implement methods for disseminating to homeowners and homebuyers information designed to

1 reduce and prevent foreclosures on homes in this state, including
2 information concerning:

- 3 (A) mortgage financing and refinancing options;
4 (B) home equity practices;
5 (C) predatory lending practices; and
6 (D) on request, a comparison of any financing or
7 refinancing terms being offered to an individual and terms
8 otherwise available to the individual; and

9 (2) establish eligibility requirements for homeowners
10 to receive financial assistance under the program.

11 Sec. 2306.534. FUNDING. The department shall seek and
12 apply for any available federal funding to finance the program.

13 Sec. 2306.535. RULES. The department shall adopt rules
14 necessary to implement the program.

15 SECTION 2. The Texas Department of Housing and Community
16 Affairs shall adopt any rules required by Subchapter X-1, Chapter
17 2306, Government Code, as added by this Act, not later than December
18 1, 2009.

19 SECTION 3. As soon as practicable, the Texas Department of
20 Housing and Community Affairs shall apply for and actively pursue
21 federal funding for purposes of the foreclosure prevention program
22 established under Subchapter X-1, Chapter 2306, Government Code, as
23 added by this Act.

24 SECTION 4. This Act takes effect September 1, 2009.