

By: Dutton

H.B. No. 1228

A BILL TO BE ENTITLED

AN ACT

relating to foreclosure of a property owners' association assessment lien.

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

SECTION 1. Chapter 209, Property Code, is amended by adding Section 209.0091 to read as follows:

Sec. 209.0091. PREREQUISITES TO FORECLOSURE: NOTICE AND OPPORTUNITY TO CURE FOR CERTAIN OTHER LIENHOLDERS. (a) A property owners' association may not foreclose a property owners' association assessment lien on real property by giving notice of sale under Section 51.002 or commencing a judicial foreclosure action unless the association has:

(1) provided written notice of the total amount of the delinquency giving rise to the foreclosure to any other holder of a lien of record on the property whose lien:

(A) is first in priority; or

(B) if the assessment lien is first in priority, is next in priority to the assessment lien; and

(2) provided the recipient of the notice an opportunity to cure the delinquency before the 61st day after the date the recipient receives the notice.

(b) Notice under this section must be sent by certified mail, return receipt requested, to the address for the lienholder shown in the deed records relating to the property that is subject

1 to the property owners' association assessment lien.

2 SECTION 2. The change in law made by this Act applies only
3 to a notice of sale given under Section 51.002, Property Code, on or
4 after the effective date of this Act or a judicial foreclosure
5 action commenced on or after the effective date of this Act.

6 SECTION 3. This Act takes effect September 1, 2011.