

By: Martinez

H.B. No. 2425

Substitute the following for H.B. No. 2425:

By: Hilderbran

C.S.H.B. No. 2425

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the form, content, and provision of payoff statements  
3 for property tax loans.

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

5 SECTION 1. Section 32.06, Tax Code, is amended by amending  
6 Subsection (a-4) and adding Subsections (a-5) and (a-6) to read as  
7 follows:

8 (a-4) The Finance Commission of Texas shall:

9 (1) prescribe the form and content of an appropriate  
10 disclosure statement to be provided to a property owner before the  
11 execution of a tax lien transfer;

12 (2) adopt rules relating to the reasonableness of  
13 closing costs, fees, and other charges permitted under this  
14 section; ~~and~~

15 (3) by rule prescribe the form and content of the sworn  
16 document under Subsection (a-1) and the certified statement under  
17 Subsection (b); and

18 (4) by rule prescribe the form and content of a request  
19 a lender with an existing recorded lien on the property must use to  
20 request a payoff statement and the transferee's response to the  
21 request, including the period within which the transferee must  
22 respond.

23 (a-5) At the time the transferee provides the disclosure  
24 statement required by Subsection (a-4)(1), the transferee must also

1 describe the type and approximate cost range of each additional  
2 charge or fee that the property owner may incur in connection with  
3 the transfer.

4 (a-6) Notwithstanding Subsection (f-3), a lender described  
5 by Subsection (a-4)(4) may request a payoff statement before the  
6 tax loan becomes delinquent. The Finance Commission of Texas by  
7 rule shall require a transferee who receives a request for a payoff  
8 statement to deliver the requested payoff statement on the  
9 prescribed form within a period prescribed by finance commission  
10 rule. The prescribed period must allow the transferee at least  
11 seven business days after the date the request is received to  
12 deliver the payoff statement. The consumer credit commissioner may  
13 assess an administrative penalty under Subchapter F, Chapter 14,  
14 Finance Code, against a transferee who wilfully fails to provide  
15 the payoff statement as prescribed by finance commission rule.

16 SECTION 2. As soon as practicable after the effective date  
17 of this Act, the Finance Commission of Texas shall adopt rules  
18 necessary to implement the changes in law made by this Act.

19 SECTION 3. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2013.