

By: Martinez

H.B. No. 2425

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

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

(a-5) Notwithstanding Subsection (f-3), a consensual lender described by Subsection (a-4)(4) may request a payoff statement before the tax loan becomes delinquent. The Finance Commission of

1 Texas by rule shall require a transferee who receives a request for
2 a payoff statement to deliver the requested payoff statement on the
3 prescribed form within a period prescribed by finance commission
4 rule. The prescribed period must allow the transferee at least
5 seven business days after the date the request is received to
6 deliver the payoff statement. The consumer credit commissioner may
7 assess an administrative penalty under Subchapter F, Chapter 14,
8 Finance Code, against a transferee who wilfully fails to provide
9 the payoff statement as prescribed by finance commission rule.

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

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