

By: Carter

H.B. No. 2567

A BILL TO BE ENTITLED

AN ACT

relating to the filing in county deed records of an instrument transferring a residential mortgage note; providing a civil penalty.

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

SECTION 1. Chapter 12, Property Code, is amended by adding Section 12.010 to read as follows:

Sec. 12.010. RESIDENTIAL MORTGAGE NOTE TRANSFERS; CIVIL PENALTY. (a) In this section:

(1) "Mortgagee" means:

(A) the grantee of a security interest in residential real property under a mortgage or deed of trust; or

(B) if the residential mortgage note secured by the mortgage or deed of trust has been transferred to another person, the last person to whom the note has been transferred.

(2) "Residential mortgage note" means a promissory note secured by residential real property under a mortgage or deed of trust.

(b) If a mortgagee transfers a residential mortgage note to another person, the transferring mortgagee shall file the instrument that transfers the note in the deed records of each county in which the residential property securing the note is located not later than the 30th day after the date the note is transferred.

1 (c) A mortgagee who violates Subsection (b) is liable to the
2 county for a civil penalty of not more than \$1,000 for each
3 violation. Each day a violation continues is considered a separate
4 violation for purposes of assessing the civil penalty. A county may
5 bring suit in a district court to recover a civil penalty authorized
6 by this subsection.

7 SECTION 2. Section 12.010, Property Code, as added by this
8 Act, applies only to a transfer of a residential mortgage note on or
9 after the effective date of this Act.

10 SECTION 3. This Act takes effect September 1, 2013.