

By: Carter

H.B. No. 2865

A BILL TO BE ENTITLED

AN ACT

relating to certain notifications to borrowers required for home equity loans.

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

SECTION 1. Subchapter B, Chapter 343, Finance Code, is amended by adding Section 343.107 to read as follows:

Sec. 343.107. NOTICES REGARDING HOME EQUITY LOANS. (a) In this section, "home equity loan" means an extension of credit described by Section 50(a)(6), Article XVI, Texas Constitution.

(b) If any term of a home equity loan is modified, the lender shall promptly notify the borrower in writing of the modification.

(c) If an application for a home equity loan is incomplete, the lender shall promptly notify the prospective borrower of the deficiency in the application to allow, to the extent possible, the borrower to provide the required information before any applicable deadline for completion of the application.

SECTION 2. Section 343.107(c), Finance Code, as added by this Act, applies only to an application for a loan submitted on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect when the application was submitted, and the former law is continued in effect for that purpose.

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