

1-1 By: Lucio S.B. No. 1334
 1-2 (In the Senate - Filed March 7, 2013; March 13, 2013, read
 1-3 first time and referred to Committee on Business and Commerce;
 1-4 May 1, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 6, Nays 0; May 1, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10			X	
1-11			X	
1-12	X			
1-13			X	
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1334 By: Lucio

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to accounting and payoff statements for certain
 1-22 seller-financed residential loans.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Chapter 343, Finance Code, is amended by adding
 1-25 Subchapter D to read as follows:

1-26 SUBCHAPTER D. SELLER-FINANCED RESIDENTIAL LOANS

1-27 Sec. 343.301. APPLICATION. This subchapter applies only to
 1-28 a seller-financed loan that:

1-29 (1) is not a federally related mortgage loan, as
 1-30 defined by 12 U.S.C. Section 2602; and

1-31 (2) is secured by a purchase money lien on residential
 1-32 real property that was not the seller's principal residence at the
 1-33 time of sale.

1-34 Sec. 343.302. ANNUAL ACCOUNTING STATEMENT REQUIRED.

1-35 (a) The lender shall provide to the borrower an accounting
 1-36 statement in January of each year for the term of the loan. If the
 1-37 lender mails the statement to the borrower, the statement must be
 1-38 postmarked not later than January 31.

1-39 (b) The accounting statement must include the following
 1-40 information:

1-41 (1) the amount paid toward the outstanding balance of
 1-42 the loan during the preceding calendar year, including separate
 1-43 amounts showing the total amount applied to interest and the total
 1-44 amount applied to principal;

1-45 (2) the remaining principal balance owed on the loan;

1-46 (3) the number of payments remaining on the loan;

1-47 (4) the amounts paid to taxing authorities on the
 1-48 borrower's behalf if collected by the lender; and

1-49 (5) the amounts paid to insure the property on the
 1-50 borrower's behalf if collected by the lender.

1-51 Sec. 343.303. PAYMENT CONSIDERED TIMELY. In a proceeding
 1-52 related to a loan to which this subchapter applies, a loan payment
 1-53 is considered to have been paid on the due date by the borrower if
 1-54 the payment came due during a calendar year for which the lender did
 1-55 not provide a required accounting statement to the borrower under
 1-56 Section 343.302.

1-57 Sec. 343.304. OTHER PENALTIES AND LIABILITIES NOT
 1-58 APPLICABLE. Chapter 349 does not apply to a violation of this
 1-59 subchapter.

1-60 SECTION 2. Section 343.106, Finance Code, is amended by

2-1 adding Subsection (h) to read as follows:

2-2 (h) For purposes of providing a payoff statement required
2-3 under this section for a seller-financed loan to which Subchapter D
2-4 applies, a loan payment made to the lender is considered to have
2-5 been paid on the due date by the borrower if the payment came due
2-6 during a calendar year for which the lender did not provide a
2-7 required accounting statement to the borrower under Section
2-8 343.302.

2-9 SECTION 3. A lender is not required to provide an accounting
2-10 statement required by Section 343.302, Finance Code, as added by
2-11 this Act, before January 1, 2014.

2-12 SECTION 4. This Act takes effect September 1, 2013.

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