

By: Miles

S.B. No. 360

A BILL TO BE ENTITLED

AN ACT

relating to the release of a deed of trust or other contract lien securing a home loan after direct payoff by mortgagor.

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. RELEASE OF LIEN AFTER DIRECT PAYOFF BY MORTGAGOR. (a) In this section, "mortgage servicer," "mortgagee," and "mortgagor" have the meanings assigned by Section 51.0001, Property Code.

(b) This section does not apply to a payment of a home loan made on behalf of a mortgagor by a title insurance company or an authorized title insurance agent.

(c) Not later than the 45th day after the date a mortgage servicer or mortgagee, as applicable, receives full payment of a home loan from a mortgagor in accordance with a payoff statement requested by and furnished directly to the mortgagor, the mortgage servicer or mortgagee shall:

(1) deliver to the mortgagor a release of the deed of trust or other contract lien securing the home loan; or

(2) file with the appropriate county clerk's office a release of the deed of trust or other contract lien.

SECTION 2. To the extent of a conflict between Section 343.107, Finance Code, as added by this Act, and a provision of a

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1 home loan agreement entered into before the effective date of this
2 Act, the provision of the home loan agreement prevails.

3 SECTION 3. This Act takes effect September 1, 2021.