

RESOLUTION ANALYSIS

H.J.R. 20
By: Toth
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Constitution considers a home equity loan to be a valid lien on Texas homestead property, but with many conditions. One of those conditions is that a home equity loan be closed at the office of the lender, an attorney at law, or a title company. Further, the Texas Supreme Court has ruled that a power of attorney used for a home equity loan must also be executed in one of those prescribed locations. Constituents concerned by these constraints requested legislation to allow for virtual closings. H.J.R. 20 seeks to address this issue by providing for virtual closings for certain borrowers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.J.R. 20 proposes an amendment to the Texas Constitution to allow for the enactment of statutes that provide an exception to the constitutional requirement for a home equity loan to be closed at the office of the lender, an attorney at law, or a title company.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 7, 2023.