

By: Noble, Cook, Capriglione, Leo-Wilson,
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H.B. No. 219

A BILL TO BE ENTITLED

1 AN ACT

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

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

5 SECTION 1. Subchapter B, Chapter 343, Finance Code, is
6 amended by adding Section 343.108 to read as follows:

7 Sec. 343.108. RELEASE OF LIEN AFTER PAYOFF BY MORTGAGOR.

8 (a) In this section:

9 (1) "Mortgage servicer," "mortgagee," and "mortgagor"
10 have the meanings assigned by Section 51.0001, Property Code.

11 (2) "Release of lien" means a release of a deed of
12 trust or other lien securing a home loan.

13 (b) Except as provided by Subsection (c), not later than the
14 60th day after the date a mortgage servicer or mortgagee, as
15 applicable, receives the correct payoff amount for a home loan from
16 a mortgagor, the mortgage servicer or mortgagee shall:

17 (1) deliver to the mortgagor a release of lien for the
18 home loan; or

19 (2) file the release of lien with the appropriate
20 county clerk's office for recording in the real property records of
21 the county.

22 (c) If, on or before the 20th day after the date of the
23 payoff of the home loan, the mortgagor delivers a written request to
24 the mortgagee or mortgage servicer for the release of lien to be

1 delivered to the mortgagor or filed with the county clerk, the
2 mortgagee or mortgage servicer shall deliver or file the release of
3 lien not later than the 30th day after the date the mortgagee or
4 mortgage servicer receives the written request from the mortgagor.

5 (d) Chapter 349 does not apply to this section.

6 (e) A mortgage servicer is required to comply with this
7 section only if the mortgage servicer has the authority to deliver
8 or file a release of lien for the home loan.

9 SECTION 2. To the extent of a conflict between Section
10 343.108, Finance Code, as added by this Act, and a provision of a
11 home loan agreement entered into before the effective date of this
12 Act, the provision of the home loan agreement prevails.

13 SECTION 3. This Act takes effect September 1, 2023.