

By: Plesa

H.B. No. 2632

A BILL TO BE ENTITLED

AN ACT

relating to false, misleading, or deceptive advertising made in connection with a reverse mortgage loan agreement.

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

SECTION 1. Subtitle B, Title 4, Finance Code, is amended by adding Chapter 344 to read as follows:

CHAPTER 344. REVERSE MORTGAGE LOANS

Sec. 344.001. FALSE, MISLEADING, OR DECEPTIVE ADVERTISING.

(a) A residential mortgage loan originator may not, in any manner, advertise or cause to be advertised a false, misleading, or deceptive statement or representation made to induce a potential borrower into applying for or entering into a reverse mortgage loan agreement.

(b) A statement or representation is misleading or deceptive under Subsection (a) if the statement or representation has the capacity or tendency to mislead or deceive a potential borrower, considering:

(1) the overall impression that the statement or representation reasonably creates; and

(2) the particular type of potential borrower to which the statement or representation is directed and whether the statement or representation may be reasonably comprehended by that potential borrower.

(c) An advertisement relating to a reverse mortgage made or

1 caused to be made by a residential mortgage loan originator is  
2 considered false, misleading, or deceptive in violation of this  
3 section if the advertisement:

4 (1) represents that:

5 (A) a reverse mortgage is a government benefit;

6 or

7 (B) a reverse mortgage is not a loan;

8 (2) represents or implies that:

9 (A) the advertisement itself is an official  
10 document of a governmental entity; or

11 (B) the borrower may stay in the home that is the  
12 subject of the reverse mortgage loan agreement without paying  
13 taxes, paying insurance premiums, or maintaining the home; or

14 (3) contains an image, symbol, or emblem that creates  
15 the impression that the advertisement is made on behalf of a  
16 governmental entity.

17 (d) This section does not prohibit a residential mortgage  
18 loan originator from accurately advertising that the residential  
19 mortgage loan originator is affiliated with the Federal Deposit  
20 Insurance Corporation or the National Credit Union Association or  
21 is an equal housing opportunity lender under the Fair Housing Act  
22 (42 U.S.C. Section 3601 et seq.), including by inclusion or use of  
23 an image, symbol, or emblem meant to advertise that affiliation or  
24 status.

25 (e) A violation of this section is a deceptive trade  
26 practice under Subchapter E, Chapter 17, Business & Commerce Code,  
27 and is actionable under that subchapter, except that Section

1 17.565, Business & Commerce Code, does not apply.

2 (f) The commissioner shall adopt rules to implement this  
3 section.

4 SECTION 2. This Act takes effect September 1, 2023.