

BILL ANALYSIS

Senate Research Center

H.B. 1266
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Economic Development
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Engrossed

DIGEST

Currently, if a U.S. citizen wishes to purchase property located within Mexico's "forbidden zones," the only sources of financing are through the seller or a Mexican bank. U.S. citizens are subject to exorbitant terms and do not have the benefit of valuable consumer safeguards that are customary in the United States. This bill would allow the creation of dollar-denominated lending programs for U.S. citizens purchasing residential property in Mexico and include many U.S. consumer safeguards.

PURPOSE

As proposed, H.B. 1266 allows the creation of dollar-denominated lending programs for U.S. citizens purchasing residential property in Mexico and includes many U.S. consumer safeguards.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 79, Article 5069-1.07, V.T.C.S., to provide that a loan, the proceeds of which are used primarily to purchase an interest in a trust that has as its principal asset real property located outside the United States, is not subject to Subtitle 2 of this title. Provides that the loan is subject to certain interest rate limitations. Sets forth requirements for collateral, interest rates, and charges to the principal amount.

SECTION 2. Emergency clause.
Effective date: upon passage.