

BILL ANALYSIS

Senate Research Center

S.B. 1614
By: Harris
Jurisprudence
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As Filed

DIGEST

Currently, several lenders are preparing legal instruments affecting real property title. In effect, these lenders are acting as title attorneys without having a license to practice law. S.B. 1641 prohibits a lender from receiving compensation as a title attorney, either by hiding the costs through interest, costs, fees, or charges in connection with a loan secured by a lien on real property, or by the lender paying an attorney to transact a title.

PURPOSE

As proposed, S.B. 1614 prohibits a lender from receiving compensation as a title attorney, either by hiding the costs through interest, costs, fees, or charges in connection with a loan secured by a lien on real property, or by the lender paying an attorney to transact a title.

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 Section 83.001(a), Government Code, to prohibit partnerships, corporations, or other entities from receiving compensation for preparation of certain legal instruments. Defines "compensation."

SECTION 2. Amends Section 83.002, Government Code, to provide that no payments shall be made by an attorney directly or indirectly to a party to the transaction for which the legal documents are prepared.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.