

## **BILL ANALYSIS**

Senate Research Center  
78R7208 DWS-F

S.B. 1067  
By: Carona  
Business & Commerce  
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### **DIGEST AND PURPOSE**

Unlike other finance and credit laws in Texas, no state agency has the authority to interpret the home equity law. As proposed, S.B. 1067 authorizes the Finance Commission (SFC) to issue interpretations relating to the home equity lending law. This bill authorizes the Credit Union Commission (CUC) to issue interpretations applicable to lenders regulated by the CUC. S.B. 1067 also requires SFC and CUC to attempt to adopt interpretations that are as consistent as feasible or state justification for any inconsistency.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter D, Chapter 11, Finance Code, by adding Section 11.308, as follows:

Sec. 11.308. INTERPRETATION OF HOME EQUITY LENDING LAW. Authorizes the State Finance Commission (SFC) to, on request of an interested person or on its own motion, issue interpretations of Sections 50(a)(5)-(7), (e)-(p), (t), and (u), Article XVI, Texas Constitution. Provides that an interpretation under this section is subject to Chapter 2001, Government Code, and is applicable to all lenders authorized to make extensions of credit under Section 50(a)(6), Article XVI, Texas Constitution, except lenders regulated by the Credit Union Commission (CUC). Requires SFC and CUC to attempt to adopt interpretations that are as consistent as feasible or to state justification for any inconsistency.

SECTION 2. Amends Subchapter E, Chapter 15, Finance Code, by adding Section 15.413, as follows:

Sec. 15.413. INTERPRETATION OF HOME EQUITY LENDING LAW. Authorizes CUC to, on request of an interested person or on its own motion, issue interpretations of Sections 50(a)(5)-(7), (e)-(p), (t), and (u), Article XVI, Texas Constitution. Provides that an interpretation under this section is subject to Chapter 2001, Government Code, and is applicable to lenders regulated by CUC. Requires SFC and CUC to attempt to adopt interpretations that are as consistent as feasible or to state justification for any inconsistency.

SECTION 3. Provides that this Act takes effect on the date on which the constitutional amendment proposed by the 78th Legislature, Regular Session, 2003, authorizing a home equity line of credit, providing for administrative interpretation of home equity lending law, and otherwise relating to the making, refinancing, repayment, and enforcement of home equity loans takes effect. Provides that if that amendment is not approved by the voters, this Act has no effect.