

1-1 By: Rodríguez S.B. No. 830
 1-2 (In the Senate - Filed February 10, 2017;
 1-3 February 27, 2017, read first time and referred to Committee on
 1-4 Business & Commerce; May 5, 2017, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 7, Nays
 1-6 1; May 5, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Creighton	X			
1-10 Campbell		X		
1-11 Estes			X	
1-12 Nichols	X			
1-13 Schwertner	X			
1-14 Taylor of Galveston	X			
1-15 Whitmire	X			
1-16 Zaffirini	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 830 By: Creighton

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the provision of accounting statements by mortgage
 1-22 servicers for certain loans secured by a lien on residential real
 1-23 property.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Title 5, Finance Code, is amended by adding
 1-26 Chapter 397 to read as follows:

1-27 CHAPTER 397. ACCOUNTING STATEMENTS FOR CERTAIN HOME LOANS REQUIRED
 1-28 Sec. 397.001. DEFINITION. In this chapter, "mortgage
 1-29 servicer" has the meaning assigned by Section 51.0001, Property
 1-30 Code.

1-31 Sec. 397.002. APPLICABILITY OF CHAPTER. This chapter
 1-32 applies only to a loan secured by a first or subordinate lien on
 1-33 residential real property that is not:

1-34 (1) a federally related mortgage loan, as defined by
 1-35 12 U.S.C. Section 2602;

1-36 (2) a loan that is made by a credit union regulated by
 1-37 the Credit Union Department;

1-38 (3) a loan that is primarily for business, commercial,
 1-39 or agricultural purposes, or for temporary financing, such as a
 1-40 construction loan, as referred to under 12 U.S.C. Section 2602; or

1-41 (4) a loan that is directly financed and serviced by a
 1-42 relative within the second degree of consanguinity or affinity of
 1-43 the borrower.

1-44 Sec. 397.003. ANNUAL ACCOUNTING STATEMENT. (a) A mortgage
 1-45 servicer shall provide to the borrower an annual statement in
 1-46 January of each year for the term of the loan. The statement must be
 1-47 provided by mail, postmarked on or before January 31, and sent to
 1-48 the borrower at the borrower's last known address.

1-49 (b) The statement required by Subsection (a) must clearly
 1-50 and conspicuously state the following information:

1-51 (1) the amount of each payment that was received by the
 1-52 mortgage servicer as payment toward the loan during the preceding
 1-53 calendar year;

1-54 (2) how each payment described by Subdivision (1) was
 1-55 applied to the borrower's account, including information showing
 1-56 the amount of each payment that was applied to:

1-57 (A) the borrower's principal obligation under
 1-58 the loan;

1-59 (B) the interest charged on the loan;

1-60 (C) any escrow account associated with the loan;

2-1 and
2-2 (D) any fee or other charge assessed against the
2-3 borrower during the preceding calendar year; and
2-4 (3) the outstanding balance of the borrower's
2-5 principal obligation under the loan.

2-6 Sec. 397.004. RECOURSE OF BORROWER FOR MORTGAGE SERVICER'S
2-7 FAILURE TO TIMELY PROVIDE STATEMENT; LIABILITY OF MORTGAGE
2-8 SERVICER. (a) If a borrower does not receive an annual statement
2-9 within the time prescribed by Section 397.003(a), the borrower may
2-10 request the statement from the mortgage servicer by sending a
2-11 request to that effect to the mortgage servicer by certified mail,
2-12 return receipt requested.

2-13 (b) Except as provided by Subsection (c), if, after
2-14 receiving a request under Subsection (a), the mortgage servicer
2-15 fails to provide the statement to the borrower on or before the 25th
2-16 day after the date the mortgage servicer receives the request:

2-17 (1) the borrower is not liable for any payment, fees,
2-18 or other charges not made during the year to which the annual
2-19 statement relates and is considered to have paid all payments,
2-20 fees, or other charges owed under the loan relating to that year, on
2-21 time, and in accordance with the terms of the loan agreement; and

2-22 (2) if the mortgagee is not the mortgage servicer, the
2-23 mortgage servicer is liable for paying the mortgagee:

2-24 (A) any amount for which the borrower is no
2-25 longer liable under Subdivision (1); and

2-26 (B) any fee or other charge assessed against the
2-27 borrower by the mortgagee as a result of, or consequential damages
2-28 arising out of, the mortgage servicer's failure to comply with this
2-29 section.

2-30 (c) Subsection (b) does not apply if, before the borrower
2-31 requests an annual statement under this section, the mortgage
2-32 servicer sends a default notice to the borrower at the borrower's
2-33 last known address by certified mail, return receipt requested.

2-34 SECTION 2. This Act takes effect September 1, 2017.

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