

BILL ANALYSIS

Senate Research Center
79R2894 MSE-D

H.B. 1236
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Selling foreclosed property on the courthouse steps is the responsibility of the trustee named in the mortgage being foreclosed. In the recent past, some questions have arisen as to whether a foreclosure sale could be challenged on a technicality if a trustee does not hold a real estate broker's license and a foreclosure sale is a sale of real property. There is no specific exception for foreclosure sales under the Real Estate License Act.

H.B. 1236, seeks to continue the mortgage industry's practice of not requiring a trustee to be licensed as a real estate broker to conduct a foreclosure sale.

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 Section 1101.005, Occupations Code, to add a provision stating that this chapter does not apply to a transaction involving the sale of real property under a power of sale conferred by a deed of trust or other contract lien.

SECTION 2. Effective date: upon passage or September 1, 2005.