

BILL ANALYSIS

Senate Research Center
80R1289 HLT-D

S.B. 645
By: Ellis
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 645 establishes a professional study to examine mortgage foreclosure rates in the Houston-Sugarland-Baytown Metropolitan Statistical Area. The study is to be conducted by the Barbara Jordan-Mickey Leland School of Public Affairs at Texas Southern University. Additionally, this bill establishes an advisory committee to direct the focus of the study.

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 B, Chapter 343, Finance Code, by adding Section 343.105, as follows:

Sec. 343.105. STUDY REGARDING RESIDENTIAL FORECLOSURES. (a) Defines "School of Public Affairs."

(b) Requires the Barbara Jordan-Mickey Leland School of Public Affairs (school) to conduct a study to examine mortgage foreclosure rates in the Houston-Sugar Land-Baytown Metropolitan Statistical Area, as defined by the U.S. Office of Management and Budget, and to establish an advisory committee to direct the focus of the study. Requires the advisory committee to be composed of certain members.

(c) Provides that the dean of the school serves as chair of the advisory committee.

(d) Requires the advisory committee established under Subsection (b) to address in the study the causes of foreclosures in the metropolitan statistical area from the perspective of the borrower, lender, mortgage originator, mortgage services provider, housing developer, secondary market representative, industry oversight agency, federal and state prosecutor, and consumer advocate.

(e) Requires the advisory committee to determine the methodology to be used in conducting the study. Requires the study to be based on original research at the level of the individual borrower, including personal interviews with borrowers.

(f) Requires all findings of the advisory committee to be approved by a majority of the members of the advisory committee.

(g) Provides that, except as provided by other law, private, confidential, and privileged information obtained for the production of any public reports is the property of the parties to the mortgage and is not subject to the disclosure provisions of Chapter 552 [sic].

(h) Requires the school to report to the governor, the lieutenant governor, and the speaker of the house of representatives on the study and its results not later than September 1, 2008.

(i) Provides that this section expires February 1, 2009.

SECTION 2. Effective date: upon passage or September 1, 2007.