

## **BILL ANALYSIS**

Senate Research Center  
82R10652 PMO-D

S.B. 1712  
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Intergovernmental Relations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law requires a person whose property is to be foreclosed upon to be notified via certified mail by the mortgage servicer at least 21 days before the sale.

S.B. 1712 amends Section 51.002 (Sale of Real Property Under Contract Lien), Property Code, to require mortgage servicers to also notify, via certified mail, each lien holder of a lien on the property of the impending sale. This is intended to provide other lien holders the opportunity to assume the loan, giving the property owner another chance to maintain ownership.

As proposed, S.B. 1712 amends current law relating to providing notice of foreclosure to certain lien holders.

### **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 Sections 51.002(b) and (e), Property Code, as follows:

(b) Requires that notice of the sale, which must include a statement of the earliest time at which the sale will begin, except as provided by Subsection (b-1) (relating to closure of the courthouse or county clerk's office by certain circumstances), be given at least 21 days before the date of the sale by:

- (1) posting at the courthouse door of each county in which the property is located a written notice designating the county in which the property will be sold;
- (2) filing in the office of the county clerk of each county in which the property is located a copy of the notice posted under Subdivision (1); and
- (3) serving written notice of the sale by certified mail on each debtor who, according to the records of the mortgage servicers of the debt, is obligated to pay the debt, and each holder of a lien on the property subject to foreclosure, as reflected in the real property records of the county in which the property is located.

(e) Provides that service of a notice under this section by certified mail is complete when the notice is deposited in the United States mail, postage prepaid and addressed to the person described by Subsection (b)(3), rather than the debtor, at the person's last known address, rather than the debtor's last known address.

SECTION 2. Makes application of the changes in law made by this Act to a notice required to be provided on or after September 1, 2011, prospective.

SECTION 3. Effective date: September 1, 2011.