

Lender Tool Box
Texas Home Equity

The Home Equity Constitutional Amendment has now passed and takes effect January 1, 2018. We hope you will find the following information useful in your implementation for both a timeline and all in one place tool for your Texas Home Equity questions. As always please feel free to call upon our legal staff for more detailed analysis. Thank you,

Constitutional Amendment effective January 1, 2018 –

<http://www.capitol.state.tx.us/tlodocs/85R/billtext/doc/SJ00060F.doc>

Proposed Rules

<https://www.sos.state.tx.us/texreg/sos/index.html> (look for Joint Financial Regulatory Agencies Home Equity)

New Required Disclosures effective January 1, 2018 –

Home Equity Loan Consumer Disclosure - (English version)

<https://www.fc.texas.gov/homeinfo/home-equity-consumer-disclosure-rev-2017.pdf>

(Spanish version) <https://www.fc.texas.gov/homeinfo/home-equity-consumer-disclosure-rev-2017-spanish.pdf>

Disclosure for Refinance of Home Equity Loan to Non-Home Equity Loan - (English version)

<https://www.fc.texas.gov/homeinfo/home-equity-refinance-disclosure.pdf>

(Spanish version) <https://www.fc.texas.gov/homeinfo/home-equity-refinance-disclosure-spanish.pdf>

Disclosure Transition Period effective January 1, 2018 through January 12, 2018 –

Lenders need to re-disclose any 2017 application that is not closed on or before December 31st with the new 12 Day disclosure form. <http://www.fc.texas.gov/homeinfo/home-equity-stmt-sjr60-111517.pdf>

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Final Rules delayed effective date of no earlier than March 29, 2018 – Proposed implementing rules for Texas Home Equity were approved for publishing by The Texas Finance Commission on October 20, 2017 and the Texas Credit Union Commission on November 3, 2017. However, a vote on final rule adoption will not occur until February 16, 2018 for the Finance Commission and March 9, 2018 for the Credit Union Commission. Following final adoption of the interpretive Rules by both Commissions they would be effective 20 days after the necessary documentation is received by the Texas Secretary of State's office. This pushes final adoption of the proposed rules out well past the effective date of the Constitutional Amendment.

For compliance purposes, the regulators should not take exception to a lender during this interim period conducting activities as prescribed by the interpretations; however, that lender could still be subject to civil liability until such time as the interpretations actually become effective.