

By: Thompson of Harris

H.B. No. 2817

A BILL TO BE ENTITLED

AN ACT

relating to fees and costs imposed by mortgagees or mortgage servicers for certain legal services performed by an attorney.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 51, Property Code, is amended by adding Section 51.016 to read as follows:

Sec. 51.016. COLLECTION OF CERTAIN LEGAL FEES AND COSTS. A mortgagee or a mortgage servicer, other than a bank, may not collect from a debtor a fee or cost for legal services relating to the foreclosure of a lien or other actions taken under this chapter to enforce an obligation under a security instrument unless the services are performed by a trustee, substitute trustee, or attorney who:

(1) is a member in good standing of the State Bar of Texas;

(2) maintains an office located in this state that is accessible to the public during regular business hours; and

(3) has the ability to accept funds from a mortgagor to reinstate or pay off a debt secured by a security instrument.

SECTION 2. Section 51.016, Property Code, as added by this Act, applies only to a security instrument executed on or after the effective date of this Act. A security instrument executed before the effective date of this Act is governed by the law that applied to the instrument immediately before that date, and the former law

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1 is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2015.