



February 26, 2016

To: Clients and Friends

From: David F. Dulock

Subject: The Texas Finance and Credit Union Commissions Request Comments on Readoption, Revision, or Repeal of the Home Equity Interpretations

In today's issue of the *Texas Register* (41 TexReg 1503) the Finance Commission of Texas and the Texas Credit Union Commission are requesting comments on readoption, revision, or repeal of the Home Equity Interpretations in the Texas Administrative Code (7 TAC Chapter 153). This is your opportunity to propose clarifications and/or amendments to these Interpretations. See the below Notice for submission instructions:

The Finance Commission of Texas and the Texas Credit Union Commission ("commissions") file this notice of intention to review and consider the following chapters of Texas Administrative Code, Title 7, Part 8, in their entirety, for readoption, revision, or repeal, as required by Texas Government Code, §2001.039:

Chapter 151 (relating to Home Equity Lending Procedures), consisting of §§151.1 - 151.8;

Chapter 152 (relating to Repair, Renovation, and New Construction on Homestead Property), consisting of §§152.1, 152.3, 152.5, 152.7, 152.9, 152.11, 152.13, and 152.15; and

Chapter 153 (relating to Home Equity Lending), consisting of §§153.1 - 153.5, 153.7 - 153.18, 153.20, 153.22, 153.24, 153.25, 153.41, 153.51, 153.82, 153.84 - 153.88, and 153.91 - 153.96.

Texas Constitution, Article XVI, §50 ("Section 50"), sets out the only permissible encumbrances on a homestead. Pursuant to Section 50(u), as implemented by Texas Finance Code, §11.308 and §15.413, the power to interpret Section 50(a)(5) - (7), (e) - (p), and (t) of the Texas Constitution has been separately and independently delegated to the commissions, subject to the statutory admonition that the commissions strive for consistency in the exercise of this independent authority. The commissions have jointly adopted the rules in 7 TAC, Chapters 151, 152, and 153.

The commissions believe that the reasons for adopting the rules contained in these chapters continue to exist. Regarding the review of Chapters 151, 152, and 153, the commissions will accept written comments received on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register* as to whether the reasons for adopting these rules continue to exist. Any questions or written comments pertaining to this notice of intention to review should be directed to Laurie B. Hobbs, Assistant General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Boulevard, Austin, Texas 78705, or by email to laurie.hobbs@occc.texas.gov. (Emphasis added.)

Any proposed amendments as a result of the review will be published in the Proposed Rules Section of the *Texas Register* in compliance with Texas Government Code, Chapter 2001, and will be open for an additional 31-day public comment period prior to final adoption or repeal by the commissions.

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9575 Katy Freeway, Suite 300

Houston, TX 77024

Phone: 713-871-0005

Fax: 713-871-1358

Partners

Thomas E. Black, Jr., P.C.*

Gregory S. Graham., P.C.

Shawn P. Black., P.C.**

Regina M. Uhl., P.C.***

Senior Lawyers

David F. Dulock

Diane M. Gleason

Associates

Peter B. Idziak**

Daniel S. Engle**

Of Counsel

David M. Tritter

Benjamin R. Idziak**

Calvin C. Mann, Jr.

Retired Partner(s)

Calvin C. Mann, Jr.

* Also Licensed in Iowa, New York, Washington and West Virginia

** Also Licensed in New York

*** Also Licensed in Kentucky