

## **BILL ANALYSIS**

Senate Research Center

S.B. 107  
By: Patterson  
State Affairs  
1-27-97  
As Filed

### **DIGEST**

Currently, there are no provisions mandating homestead foreclosure information for the sale of residential real estate. This bill requires notice to be given at closing specifically stating the circumstances under which homeowners can lose their homes to foreclosure.

### **PURPOSE**

As proposed, S.B. 107 requires a seller of certain residential real property to give a written notice to the purchaser of the property before the transfer of the property.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 5A, Property Code, by adding Section 5.010, as follows:

Sec. 5.010. NOTICE OF HOMESTEAD FORECLOSURE INFORMATION. Requires a seller of residential real property comprising not more than one dwelling unit located in this state to give a written notice to the purchaser of the property before the transfer of the property. Sets forth the required format and content of the notice. Establishes that the seller's failure to provide the notice required by this section is a false, misleading, or deceptive act or practice within the meaning of Section 17.46, Business and Commerce Code, and is actionable in a public or private suit brought under Subchapter E, Business and Commerce Code, and entitles the purchaser to cancel and rescind the purchase contract and receive a full refund of any purchase payment made to the seller.

SECTION 2. Effective date: September 1, 1997.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.