

BILL ANALYSIS

Senate Research Center
83R2235 AJA-D

H.B. 584
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Business & Commerce
4/26/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, notice of a foreclosure sale of real property is filed with a county clerk and then posted in the courthouse lobby, with an auction later taking place on the steps of the county's courthouse. The purpose of the filing and posting, in part, is to give notice to potential purchasers of properties that may soon be available for bidding. Interested parties report that, in some cases, the only bidder on the property is the foreclosing entity, who may use the sale as a mechanism to transfer the asset from an account receivable to an asset titled to the bank. However, interested parties contend that competitive sales, such as a public auction where cash bidders compete for the property, are good for troubled borrowers and communities because the sales may help real estate retain its value and may allow a borrower to be compensated for the equity acquired in a foreclosed home.

H.B. 584 seeks to make foreclosure information readily available to the bidding public by requiring any county that maintains an Internet website to post on that website a notice of foreclosure sale filed with the county clerk.

H.B. 584 amends current law relating to the posting of a notice of foreclosure sale on a county's Internet website.

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 Section 51.002, Property Code, by adding Subsection (f-1), as follows:

(f-1) Requires a county, if the county maintains an Internet website, to post a notice of sale filed with the county clerk under Subsection (b)(2) (relating to requiring that a copy of a notice of sale of a piece of property under a power of sale conferred by a deed of trust or other contract lien be filed with a certain county clerk) on the website on a page that is publicly available for viewing without charge or registration.

SECTION 2. Effective date: September 1, 2013.