



OPINION EDITORIAL

Senator Craig Estes

Texas State Senate District 30

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State Senator Craig Estes (R-Wichita Falls) released the following opinion editorial regarding his sponsorship of legislation to help homeowners facing foreclosure.

Helping Texas Homeowners Facing Foreclosure

By State Senator Craig Estes

The most recent figures made available by the Mortgage Bankers Association reveal that at least one in ten Texas homeowners is at risk of losing their homes to foreclosure. This unfortunate fact provides both economic uncertainty for at-risk homeowners, and opportunities for scam artists to commit fraud.

In recent weeks, Texas Attorney General Greg Abbott has raised our awareness to these critical issues involving home mortgage foreclosure. I am proud to join the Attorney General by introducing legislation aimed at providing a level of opportunity and security for at-risk homeowners.

With so many Texans facing foreclosure, I agree that the current law providing for a 20-day deferment in foreclosure proceedings needs to be extended. Texas homeowners need more time to try and reach an agreement with their lender in an effort to stay in their homes while meeting their financial obligations.

To address this issue, I filed Senate Bill 472, the Texas Mortgage Foreclosure Deferment Act, to defer final foreclosure from initial notification to up to 45 days, and provide at least 30 days for a homeowner to vacate a foreclosed property.

In addition to protecting homeowners, this bill recognizes and protects renters who may occupy a property being foreclosed by requiring the debtor to notify tenants of a foreclosure notice within seven days. Current law already provides certain protections for tenants in foreclosed property.

This bill is not a bailout for delinquent homeowners or excessive lenders. It is a timeout to allow two parties in a difficult economy to find a way to responsibly meet their obligations as lenders and borrowers.

At-risk homeowners struggling to save their homes also face the prospect of being targeted by scam artists banking on desperation. Foreclosure rescue fraud can take many forms, but most commonly it starts with a promise to homeowners to help save the home from a pending foreclosure, but results in either the homeowner losing their money with no help in preventing the foreclosure or worse - losing the home outright to the scam artist.

To help crack down on this problem, I have filed Senate Bill 354. The Foreclosure Rescue Fraud Prevention Act aims to protect homeowners from scam artists seeking to prey on vulnerable homeowners desperate to find a way to keep their home.

Senate Bill 354 protects homeowners through three key provisions. First, SB 354 would require all agreements to be in writing and provided in plain language clarifying rights and responsibilities. Second, SB 354 would require any sale of the property to an equity buyer promising to help save the home to equal at least 82 percent of the fair market value, and will provide a five-day cooling-off period allowing the homeowner to cancel the sale without penalty. Third, SB 354 would add violations of these provisions to the Deceptive Trade Practices Act.

While most homeowners may never feel the threat of home foreclosure, it is an issue that can impact all of us when it strikes our neighbors, friends, and family. It is my hope that this legislation will send a clear signal that these actions by unscrupulous mortgage foreclosure consultants will not be tolerated.

In concert, I believe these bills will provide meaningful reforms to help aid homeowners at risk of mortgage foreclosure. Providing an additional 25 days to defer foreclosure and cracking down on foreclosure rescue scams may very well provide the crucial time needed by a homeowner and a lender to find a resolution while also helping the homeowner from falling prey to bad actors seeking an advantage in a time of distress.

State Senator Craig Estes (R-Wichita Falls) is chairman of the Senate Subcommittee on Agriculture, Rural Affairs, and Coastal Resources, and vice-chairman of the Senate Natural Resources Committee.

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