



PROPERTY TAX LOAN ADVISORY BULLETIN

SB 762 and Post-Closing Fees

Earlier this year, the Texas Legislature passed a bill, SB 762, which affects post-closing fees that property tax lenders may charge. There are currently limitations on interest and closing fees in Texas Tax Code, Section 32.06, as well as Texas Administrative Code, Title 7, Section 89.601. By contrast, this bill applies to fees that a property tax lender charges *after* closing.

The post-closing fees authorized under the bill are:

- (1) a fee for filing the release of the tax lien,
- (2) a fee for providing a payoff statement to a bank,
- (3) a fee for providing balance information,
- (4) attorney's fees for legally required actions to perform a foreclosure, or to respond to a taxing authority's foreclosure suit under Chapter 33,
- (5) post-petition fees if the homeowner files for bankruptcy,
- (6) a fee for title examination,
- (7) a non-sufficient-funds fee,
- (8) a fee for collateral protection insurance,
- (9) a prepayment penalty (only for commercial property),
- (10) recording expenses for loan modification,
- (11) a fee for extra copies of loan documents requested by the homeowner (apart from two copies that the homeowner is entitled to).

After the bill goes into effect on September 1, 2011, a property tax lender may not charge any post-closing fees that are not on this list. For fees (4), (5), (6), (7), (8), and (10), the fees are limited to services performed by a person who is not an employee of the property tax lender.