



Home Equity Lending Rule Review Notice of Precomment Draft

The Joint Financial Regulatory Agencies (Texas Department of Banking, Department of Savings and Mortgage Lending, Office of Consumer Credit Commissioner, and Texas Credit Union Department) intend to present amendments to Title 7, Chapter 151 of the Texas Administrative Code to the Texas Finance Commission and Texas Credit Union Commission.

The attached precomment draft contains amendments to 7 Tex. Admin. Code Section 151.1. These amendments relate to home equity lending interpretation procedures and result from the rule review of Title 7, Chapters 151, 152, and 153.

The amendments would specify that any formal petition for the Finance Commission to issue a home equity interpretation must be sent to the Department of Savings and Mortgage Lending, replacing current language that refers to the Office of Consumer Credit Commissioner. The agencies anticipate that the Department of Savings and Mortgage Lending will take a leading role in coordinating future home equity interpretations.

The agencies invite stakeholders to send informal comments on the precomment draft until May 29, 2024. **If you have any informal comments on the May 8 precomment draft of amendments to 7 Tex. Admin. Code Section 151.1, please send an email to rule.comments@occc.texas.gov no later than 5:00 p.m. on May 29, 2024.**

Comments submitted to the agencies are generally public. Please redact all confidential information before submitting comments to the agencies.

Rule updates are available on the OCCC's website at <https://occc.texas.gov/publications/rules>.

The agencies appreciate the continuing input of stakeholders. This input is crucial to producing the best rules possible.

**Joint Financial Regulatory Agencies
Home Equity Rule Review Amendments
5/8/2024 Precomment Draft**

Title 7, Texas Administrative Code

Part 8. Joint Financial Regulatory Agencies

Chapter 151. Home Equity Lending Procedures

§151.1. Interpretation Procedures

(a) Issuing interpretations. The Finance Commission and Credit Union Commission may on their own motion issue interpretations of Section 50(a)(5) - (7), (e) - (p), and (t), Article XVI of the Texas Constitution. The commissions will propose and adopt interpretations in accordance with the rulemaking requirements of Texas Government Code, Chapter 2001, Subchapter B.

(b) Agency recommendations. The Office of Consumer Credit Commissioner, Department of Banking, or Department of Savings and Mortgage Lending may recommend proposed interpretations to the Finance Commission. The Credit Union Department may recommend proposed interpretations to the Credit Union Commission. The four agencies may seek informal input from stakeholders and the other agencies before recommending a proposed interpretation to the commissions.

(c) Informal request for interpretation. A person may submit an informal request for an interpretation of Section 50(a)(5) - (7), (e) - (p), or (t), Article XVI of the Texas Constitution. An informal request may be submitted to the Office of Consumer Credit Commissioner, Department of Banking, Department of Savings and Mortgage Lending, or Credit Union Department. A request should:

- (1) cite the specific provision of the Texas Constitution to be interpreted;
- (2) explain the factual and legal context for the request; and
- (3) explain the requestor's opinion of how the request should be resolved.

(d) Petition for rulemaking. An interested person may formally request an interpretation of Section 50(a)(5) - (7), (e) - (p), or (t), Article XVI of the Texas Constitution by submitting a petition to initiate rulemaking.

(1) Any petition for the Finance Commission to issue an interpretation must be submitted to the Department of Savings and Mortgage Lending [~~Office of Consumer Credit Commissioner~~] and must include the information required by §9.82 of this title (relating to Petitions to Initiate Rulemaking Proceedings).

(2) Any petition for the Credit Union Commission to issue an interpretation must be submitted to the Credit Union Department and must include the information required by §97.500 of this title (relating to Petitions to Initiate Rulemaking Proceedings).