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### Legislative Update Report

#### Texas Legislature

Texas' 81<sup>st</sup> legislature convened on January 13, 2009. Less than two weeks later, already 1,250 bills have been filed in the House and Senate combined. Many of the early bills have focused on issues relating to property taxes. These bills have focused on differing ways to provide property tax relief to homeowners. It is still early in the legislative session and more information will be provided on specific bills as they progress through the House and Senate.

#### Federal Legislature

The "Helping Families Save Their Homes in Bankruptcy Act of 2009" is a bill that is still in a House committee. The bill would amend federal bankruptcy law governing a Chapter 13 debtor (adjustment of debts of an individual with regular income) and allow bankruptcy judges to modify certain mortgages on principal residences. The bill is generally opposed by mortgage bankers who fear that the bill will make loans more expensive and less available to consumers. A copy of the bill can be found at: <http://thomas.loc.gov/cgi-bin/thomas>

#### Other

On January 6, 2009 HUD announced that there will be a 90-day delay of the "required use" provision from the recent RESPA reforms. The revised definition of "required use" makes clear that the use of both economic incentives and disincentives to improperly influence a consumer's choice of settlement service providers are equally problematic under RESPA. This delay comes in response to a lawsuit and preliminary injunction filed in late December 2008 by the National Association of Home Builders (NAHMB) seeking to overturn the "required use" requirements. NAMB has also filed suit against HUD seeking to stop recent RESPA changes. Links to a copy of the NAHB and NAMB lawsuits are below.

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NAHB lawsuit:

<http://www.nahb.org/generic.aspx?genericContentID=108383>

NAMB lawsuit:

<https://www.namb.org/images/namb/GovernmentAffairs/RESPA/Complaint%20for%20Declaratory%20and%20Injunctive%20Relief%202008-12-19.pdf>

On December 23 The Federal Housing Finance Agency announced a revised Home Valuation Code of Conduct that becomes effective May 1, 2009. The changes allow lenders to maintain in house appraisal companies provided there is sufficient separation and barriers between the appraisers and the LOs and others with a direct interest in the outcome of the appraisal. The Code will still not allow mortgage brokers to hire and have contact with the appraiser. A link to the revised HVCC is below.

<http://www.ofheo.gov/media/news%20releases/HVCCFinalCODE122308.pdf>