BUSINESS AND COMMERCE CODE

TITLE 5. REGULATION OF BUSINESSES AND SERVICES

SUBTITLE C. BUSINESS OPERATIONS

CHAPTER 103. APPRAISALS IMPROPERLY INDUCED BY MORTGAGE LENDERS

Sec. 103.001.  DEFINITIONS. In this chapter:

(1)  "Lender" means a person who lends money for or invests money in mortgage loans.

(2)  "Mortgage loan" means a loan secured by a deed of trust, security deed, or other lien on real property.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/HB02278F.HTM)), Sec. 2.01, eff. April 1, 2009.

Sec. 103.002.  CRIMINAL PENALTY. (a) A lender commits an offense if in connection with a mortgage loan transaction the lender pays or offers to pay a person, including an individual licensed or certified by the Texas Appraiser Licensing and Certification Board or the Texas Real Estate Commission, a fee or other consideration for appraisal services and the payment:

(1)  is contingent on a minimum, maximum, or pre-agreed estimate of value of property securing the loan;  and

(2)  interferes with the person's ability or obligation to provide an independent and impartial opinion of the property's value.

(b)  An offense under this section is a Class A misdemeanor.

(c)  An instruction a lender gives to a real estate appraiser regarding a legal or other regulatory requirement for the appraisal of property, or any other communication between a lender or real estate appraiser necessary or appropriate under a law, regulation, or underwriting standard applicable to a real estate appraisal, does not constitute interference by a lender for purposes of Subsection (a)(2).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/HB02278F.HTM)), Sec. 2.01, eff. April 1, 2009.