

# TEXAS MORTGAGE BANKERS ASSOCIATION

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May 13, 2015

Honorable Joe Strauss  
Speaker of the House  
House of Representatives  
P.O. Box 2910  
Austin, Texas 78768-2910  
Via email

Re: HB 3646 and SB 1628

Dear Speaker Strauss:

I am writing on behalf of the Texas Mortgage Bankers Association to express our concerns relating to HB 3646 and SB 1628. The 300 plus company members of TMBA includes both large national and small Texas community banks, credit unions, thrifts, independent mortgage bankers, mortgage servicers and their support industries. Collectively, our members are responsible for mortgage servicing of the vast majority of residential mortgages in Texas.

The prompt and full payment of property and casualty claims relating to damage to property that secures the loans owned or serviced by our members is of critical importance.

During the course of the last several weeks, TMBA has been encouraged by both supporters and opponents of these bills to weigh in. Some of our friends have encouraged us to support these bills. Other friends have encouraged us to oppose these bills. This prompted me to look more closely at the text of both HB 3646 and SB 1628. Moreover, I have now reviewed bill analyses prepared independently by respected insurance law attorneys. My goal was to get objective information and to look beyond each side's talking point list. After making this review, I have concluded that passage of either of these bills could result in unintended consequences that would adversely impact the ability of property owners and their lenders to obtain prompt and full payment of their property damage claim.

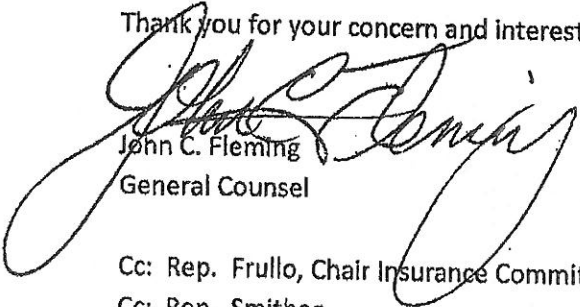
While, we are in agreement with the purpose of these bills to the extent they seek to restrict the abuses of public adjusters and to curtail improper storm chasing by trial lawyers, we are concerned that these bills go much further than that. Specifically, I share the concerns now being raised (if belatedly) by



large commercial property owners and other business interests relating to the provisions in the current versions of these bills that would alter the prompt pay provisions of the insurance code and those provisions that appear to substantially diminish the remedies where an insured brings a legitimate claim for unfair claims denial.

We believe that rather than a rush to judgment in the waning days of this Session, Texas property owners and their lenders would be better served by further study of these issues and further deliberation among all impacted stakeholders.

Thank you for your concern and interest.



John C. Fleming  
General Counsel

Cc: Rep. Frullo, Chair Insurance Committee  
Cc: Rep. Smithee