

**FROM:** Underwriting Department  
**DATE:** 8/19/2025  
**TO:** All Texas Agents  
**RE:** **Notable 2024/25 Legislative Summary-Update**

Dear FNTI Texas Agents:

In an effort to keep our FNTI Agency Family apprised of the latest results of the Texas Legislature's recently concluded Regular Session, please find the following Bills that were passed to become law that are effective immediately or as soon as September 1, 2025.

1. **County Clerk Electronic Copies Fee (SB 1547)**: Effective Immediately.

- Amends Sections 118.011(a) and (e), Texas Local Government Code, that previously allowed County Clerks to charge \$.10 a page for electronic copies of documents, which had significantly raised the cost of obtaining said documents by agents and title plants.
- The amended statute will clarify that the \$.10 a page fee DID NOT apply to real property records and therefore agents and title plants would not be subject to the fee.

2. **Deed Fraud Self Help (SB-1734)**: Effective September 1, 2025.

- Adds Sections 5.0206 and 5.0207 to the Texas Property Code; and amends Section 51.901(c) of the Texas Government Code and adds Section 51.9035 to the Texas Government Code.
- An owner of a property may file an Affidavit (form set out in the statute) and a Certificate of Mailing (form set out in the statute). The recorded Affidavit, which describes the purported deed, including the recording data, states that the Affiant is the owner of the property and has NOT conveyed title and the purported deed is fraudulent. A notification letter must be sent by the owner to the grantor and grantee on the purported deed via certified mail.
- The grantor or grantee of the purported deed can file a controverting affidavit within 120 days after the Certificate of Mailing is recorded stating that the Affidavit by the owner is untrue or providing another reason the purported deed is valid.
- If an Affidavit and Certificate of Mailing are recorded by the owner and a controverting affidavit is not filed for recording in the time provided by the statute, the property owner that filed the Affidavit may file a petition for a district court ruling under Section 51.9035 of the Texas Government Code.
- Section 51.9035 of the Government Code sets out the form for the Petition, the Findings of Fact by the Court and the procedure for the action.

3. **Purchase or Acquisition of Interest In Real Property by Certain Aliens and Foreign Entities (SB 17)**: Effective September 1, 2025 for purchases made on or after that date.

- Amends Section 64.001(a) of the Texas Civil Practice and Remedies Code, and Section 5.005, of the Texas Property Code, and of particular importance, adds Subchapter H to Chapter 5 of the Property Code.
- This law restricts individuals and entities from foreign countries deemed to be national security threats as deemed by the US Director of National Intelligence via the 2025 Annual Threat Assessment (to include individuals and entities from China, Russia, Iran, North Korea) from acquiring interests in real property and allows the Governor to add other countries based on national security assessments.
- There are numerous exceptions to the application of the new law, including an individual who is a citizen or lawful permanent resident of the United States or a company or organization that is owned by or under the control of one or more of such individuals or a leasehold interest in land or improvements constructed on a leasehold if the duration of the interest is less than one year. Also, an individual who is lawfully present and residing in the United States at the time the individual purchases or acquires the interest, may purchase or acquire an interest in a residential property that is intended for use as an individual's residence homestead, as defined by Section 11.13(j), Tax Code;
- The new law allows the AG to bring an in rem action against real property to enforce this subchapter in a district court in the county where all or part of the real property that is the subject of the violation is located.
- The attorney general shall record notice of the commencement of an enforcement action in the real property records of each county where any part of the real property subject to the action is located.
- Some of the provisions included in Subchapter H will protect the title industry from having to investigate the nationality of purchasers (individuals and entities) and prevent losses if the AG later takes enforcement action. However, the AG is given authority to develop procedures to implement the new law and we shall have to be vigilant in watching for requirements that could make us responsible for policing the statute or being responsible for identifying prohibited parties and possibly facilitating unlawful transactions.
- This subchapter provides (in pertinent part): Except for an acquisition of a leasehold interest, a purchase or acquisition of an interest in real property in violation of Section 5.253 is not void because of the violation, and the validity or enforceability by any person of a purchase contract for or the conveyance of an interest in the real property is not otherwise affected by the violation. This is our savings clause and keeps the title industry from being thrust into the role of enforcer and/or provide loss insurance.

- The new Subchapter also provides: 5. 257.DIVESTITURE; APPOINTMENT OF RECEIVER; DISTRIBUTION OF SALE PROCEEDS. If the district court finds that the real property subject to an action brought under Section 5.255 was purchased or an interest in the real property was otherwise acquired in violation of Section 5.253, the court shall: enter an order that: states the court 's finding; orders the divestment of the individual 's or entity's interest in the real property; and appoints a receiver to divest the individual 's or entity's interest in the real property through sale, termination of a leasehold, or other disposition.
- Proceeds from the sale or other disposition of an interest in real property under an order described by Section 5.257 shall be applied first to satisfy any existing liens on the property and then to pay the reasonable costs incurred by the state in enforcing this subchapter. The remaining proceeds shall be remitted to the individual or entity that purchased or otherwise acquired the interest in violation of this subchapter
- The new statute also provides that the Attorney General can impose civil and criminal penalties, such as jail felony and civil penalties of at least \$250,000 or 50% of the property's market value.

4. **Unilateral Memorandum of Contract (HB 4063)**: Effective September 1, 2025.

- Adds Section 12.020 to the Texas Property Code.
- A person/entity who files a Unilateral Memorandum of Contract (a memorandum that is only signed by one person/entity) concerning residential real property must provide to the County Clerk the person's/entity's mailing address and a Certificate of Mailing (form set out in statute), with proof of mailing and a copy of the notification letter attached A Unilateral Memorandum of Contract (MoC) includes, but is not limited to, a contract to purchase, an option contract, right of first refusal, or a right to match other offers.
- On the same day that the Unilateral MoC is filed, the person/entity that filed the MoC must send a copy of the filed Unilateral MoC and a letter to the record owner of the property notifying the owner of the filing of the memorandum via registered or certified mail, return receipt requested to the address of the property and any mailing address shown for the owner on the MoC or in the real property records for the property, or the address obtained from the records of the appraisal district for which the property is located.
- An owner of the property that receives the letter and/or notification of the Unilateral MoC may file a contravening affidavit (form set out in statute). A Certificate of Mailing must be included with the filing of the contravening affidavit (form set out in statute). The owner that filed the contravening affidavit must send a copy of the filed affidavit and a letter to the person/entity who initially filed the Unilateral MoC via registered or certified mail, return receipt requested to the address provided to the County Clerk and to the address of any other person/entity referenced in the Unilateral MoC.
- The owner's contravening affidavit serves as a release of the Unilateral MoC UNLESS a contradicting affidavit is filed by the initial person/entity who filed the Unilateral MoC within 45 days of the filing of the Certificate of Mailing of the contravening affidavit by the record owner, stating that the affidavit or certificate of mailing filed by the record owner is untrue OR gives another reason as to why the Unilateral MoC should be valid.

- If no contradicting Affidavit is filed by the initial person/entity who filed the Unilateral MoC in the 45-day period, then the owner's Affidavit will serve as a Release of the Unilateral MoC and the MoC will not affect the validity of a conveyance to a purchaser for value or of a mortgage to a lender for value, and is not enforceable against a purchaser or lender. An interest in the residential property may be transferred or encumbered free of all interests asserted in the Unilateral MoC.

5. **Filing for Record a Plat, Replat, or Amended Plat or Replat of a Subdivision of Real Property or a Condominium (HB 2025)**: Effective September 1, 2025.

- Amends Section 12.002(e) and Section 82.051(f) (Uniform Condominium Act) of the Texas Property Code
- Removes the requirement for a plat, replat or amended plat or replat of a subdivision or of a condominium that is filed for record after September 1<sup>st</sup> of a year to have attached to it a tax receipt issued by the collector for each taxing unit indicating that the taxes imposed for the current year have been paid or have not yet been calculated.
- It will still be required that an original tax certificate from each taxing unit within the jurisdiction over the real property, confirming that no delinquent ad valorem taxes are owed on the real property, be attached to the plat, replat, or amended plat or replat of a subdivision or condominium
- If the tax certificate DOES NOT cover the preceding year, the plat, replat, or amended plat or replat of a subdivision of real property or condominium must also have a tax receipt attached/included in the filing confirming that the taxes for the preceding year have been paid.
- Exceptions to this law include where more than one person acquired the property from a decedent under a will, or by inheritance, and those persons obtained approval to subdivide the property to provide each person with a divided interest and a separate title to the property, or a taxing unit acquired the real property for public use through eminent domain proceedings or voluntary sale.

6. **Continuing Education Requirement for Notary(ies) Public (SB 693)**: Effective September 1, 2025, but applies to applications for appointment as a notary public or reappointment submitted on or after January 1, 2026.

- Amends section 406.023, Texas Government Code, to require 2 hours of continuing education via a course established and offered by the Secretary of State.

As always, your FNTI team is available to help with questions and guidance.

Thank you for being part of the FNTI Agency family.

*This Underwriting Bulletin becomes a part of the principles and practices with which you are to comply under the terms of your Underwriting Agreement with First National Title Insurance Company. Should the content of this bulletin address the closing and escrow function, this information should be considered a directive and part of the principles and practices if non-compliance would result in liability to FNTI under either the insured closing service letter or policy of title insurance notwithstanding that the Underwriting Agreement does not include the closing and escrow functions of your agency.*