

## Case Alert Update: ACORN, et al. v. Finance Commission of Texas, et al.

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In a previous edition of the Texas Consumer & Commercial Law Update, we included a summary of the district court's ruling in *ACORN, et al. v. Finance Commission of Texas, et al.* That ruling invalidated several of the Finance Commission's interpretive regulations relating to home equity lending in Texas, including the interpretation expressing that points are interest and are not fees that are subject to the three percent cap on fees required to be paid by the owner.

The district court's ruling has since been appealed to the Texas Court of Appeals. The immediate effect of the appeal is to supercede the judgment of the trial court, and indeed any enforcement of that judgment has been stayed at least until July 14, 2006. Consequently, the district court's order is as yet ineffective, and the affected regulations continue in effect, pending a determination of the appeal.

We will continue to monitor the progress of this case in the appellate court and keep you informed as to further developments.