



★ TEXAS SUPREME COURT ★ **DOLLAR DOCKET**

In Texas, 48% of judges and 79% of lawyers say contributions significantly influence judicial decisions. - Texas Supreme Court poll

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The Home Boys' Hold On the High Court

Texas built in strong consumer protections when it legalized home-equity loans in 1997, but the Texas Supreme Court began undermining these and other homeowner rights in 2000.

Failing to connect with the justices in two cases last year, homeowners may now strike out in a third case. The court soon will decide in *Centex Homes v. Michael Buecher* if buyers of new homes can sign away the "implied warranty of habitability" long recognized by Texas courts. This warranty guarantees the buyer an inhabitable home. San Antonio homeowners sued Centex when it refused to pay for repairs after their foundations cracked within several years of purchasing a new home from this company.

The court first took a wrecking ball to homeowner rights last year in *Stringer v. Cendant Mortgage*. The court ruled that lenders must *notify* borrowers that they cannot be forced to use any part of a home-equity loan to pay off an old loan. But the court also ruled that this notification is meaningless because lenders who go ahead and force borrowers to apply a new loan to old debt face no penalty whatsoever (see [Dollar Docket](#), July 5, 2000).

Last month, the court ruled in *Spradlin v. Jim Walter Homes* that consumer protections in Texas' home-equity law do not apply when a loan is used to build a new home.

Unfortunately, major ethical cracks appear in the court's foundation, with the justices mortgaged to homebuilders, mortgage lenders and Centex's law firms. Since 1993, the eight sitting justices have taken

Year-End Dollar Docket

Cases heard by the Texas Supreme Court in November and December and corresponding contributions to justices from the parties and/or attorneys

November 29, 2000

<i>Centex Homes v. Buecher</i>	\$ 455,938
<i>Corpus Christi v. Public Utility Commission</i> consolidated with <i>PowerChoice v. Public Utility Commission</i>	\$ 171,895
<i>Public Utility Commission</i>	\$ 534,635

December 6, 2000

<i>Am. Transitional Care v. Palacios</i>	\$ 1,950
<i>Brazos Electric v. Houston Lighting & Power</i>	\$ 283,555
<i>Holy Cross Church v. Wolf</i>	\$ 2,650

Total for Nov. and Dec.: \$ 1,517,498

Of Special Interest

Top Builder Contributions

Bob Perry Homes	\$52,000
David Weekley Homes	\$17,500
Assoc. Builders & Contractors	\$16,500

Top Lender Contributions

Compass Bank	\$14,050
NationsBank	\$11,300
Texas Bankers Assoc.	\$10,362

Contributions since 1993 from the entity, its PAC and executives to the eight sitting justices.

\$109,050 from homebuilder interests and \$168,526 from mortgage lenders (their trade associations filed briefs for these industries in the *Spradlin* and *Centex* cases).

The justices also took \$363,338 from Centex's law firms, Baker & Botts and Bracewell & Patterson, which put two ex-justices on the case (Eugene Cook and Joe Greenhill). Justice Nathan Hecht took \$5,000 from Bracewell in the past two months alone. •