

By: Cook of Navarro

H.B. No. 156

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the eligibility of certain law enforcement officers to  
3 participate in a low-interest home loan program offered by the  
4 state.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. The heading to Section 2306.563, Government  
7 Code, as added by Chapter 1050, Acts of the 78th Legislature,  
8 Regular Session, 2003, is amended to read as follows:

9 Sec. 2306.563. FIRE FIGHTER AND LAW ENFORCEMENT [~~POLICE~~]  
10 OFFICER HOME LOAN PROGRAM.

11 SECTION 2. Sections 2306.563(a)(2), (4), and (5),  
12 Government Code, as added by Chapter 1050, Acts of the 78th  
13 Legislature, Regular Session, 2003, are amended to read as follows:

14 (2) "Home" means a dwelling in this state in which a  
15 fire fighter or law enforcement [~~police~~] officer intends to reside  
16 as the fire fighter's or the law enforcement [~~police~~] officer's  
17 principal residence.

18 (4) "Law enforcement officer" means a police officer  
19 as defined [~~"Police officer" has the meaning assigned~~] by Section  
20 143.003, Local Government Code, or a sheriff or deputy sheriff.

21 (5) "Program" means the fire fighter and law  
22 enforcement [~~police~~] officer home loan program.

23 SECTION 3. Sections 2306.563(b), (c), (d), and (f),  
24 Government Code, as added by Chapter 1050, Acts of the 78th

1 Legislature, Regular Session, 2003, are amended to read as follows:

2 (b) The corporation shall establish a program to provide  
3 eligible fire fighters and law enforcement [~~police~~] officers with  
4 low-interest home mortgage loans.

5 (c) To be eligible for a loan under this section, at the time  
6 a person files an application for the loan, the person must:

7 (1) be a fire fighter or law enforcement [~~police~~]  
8 officer;

9 (2) reside in this state; and

10 (3) have an income of not more than 115 percent of area  
11 median family income, adjusted for family size.

12 (d) The corporation may contract with other agencies of the  
13 state or with private entities to determine whether applicants  
14 qualify as fire fighters or law enforcement [~~police~~] officers under  
15 this section or otherwise to administer all or part of this section.

16 (f) The board of directors of the corporation shall adopt  
17 rules governing:

18 (1) the administration of the program;

19 (2) the making of loans under the program;

20 (3) the criteria for approving mortgage lenders;

21 (4) the use of insurance on the loans and the homes  
22 financed under the program, as considered appropriate by the board  
23 to provide additional security for the loans;

24 (5) the verification of occupancy of the home by the  
25 fire fighter or law enforcement [~~police~~] officer as the fire  
26 fighter's or the law enforcement [~~police~~] officer's principal  
27 residence; and

1           (6) the terms of any contract made with any mortgage  
2 lender for processing, originating, servicing, or administering  
3 the loans.

4           SECTION 4. Section 1372.0222, Government Code, is amended  
5 to read as follows:

6           Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR  
7 FIRE FIGHTER AND LAW ENFORCEMENT [~~POLICE~~] OFFICER HOME LOAN  
8 PROGRAM. Until August 1, out of that portion of the state ceiling  
9 that is available exclusively for reservations by issuers of  
10 qualified mortgage bonds under Section 1372.022, \$25 million shall  
11 be allotted each year and made available exclusively to the Texas  
12 State Affordable Housing Corporation for the purpose of issuing  
13 qualified mortgage bonds in connection with the fire fighter and  
14 law enforcement [~~police~~] officer home loan program established  
15 under Section 2306.563.

16           SECTION 5. Sections 2306.553(a) and (b), Government Code,  
17 are amended to read as follows:

18           (a) The public purpose of the corporation is to perform  
19 activities and services that the corporation's board of directors  
20 determines will promote the public health, safety, and welfare  
21 through the provision of adequate, safe, and sanitary housing  
22 primarily for individuals and families of low, very low, and  
23 extremely low income, for professional educators under the  
24 professional educators home loan program as provided by Section  
25 2306.562, and for fire fighters and law enforcement [~~police~~]  
26 officers under the fire fighter and law enforcement [~~police~~]  
27 officer home loan program as provided by Section 2306.563. The

1 activities and services shall include engaging in mortgage banking  
2 activities and lending transactions and acquiring, holding,  
3 selling, or leasing real or personal property.

4 (b) The corporation's primary public purpose is to  
5 facilitate the provision of housing by issuing qualified 501(c)(3)  
6 bonds and qualified residential rental project bonds and by making  
7 affordable loans to individuals and families of low, very low, and  
8 extremely low income, to professional educators under the  
9 professional educators home loan program, and to fire fighters and  
10 law enforcement [~~police~~] officers under the fire fighter and law  
11 enforcement [~~police~~] officer home loan program. The corporation  
12 may make first lien, single family purchase money mortgage loans  
13 for single family homes only to individuals and families of low,  
14 very low, and extremely low income if the individual's or family's  
15 household income is not more than the greater of 60 percent of the  
16 median income for the state, as defined by the United States  
17 Department of Housing and Urban Development, or 60 percent of the  
18 area median family income, adjusted for family size, as defined by  
19 that department. The corporation may make loans for multifamily  
20 developments if:

21 (1) at least 40 percent of the units in a multifamily  
22 development are affordable to individuals and families with incomes  
23 at or below 60 percent of the median family income, adjusted for  
24 family size; or

25 (2) at least 20 percent of the units in a multifamily  
26 development are affordable to individuals and families with incomes  
27 at or below 50 percent of the median family income, adjusted for

1 family size.

2 SECTION 6. This Act takes effect September 1, 2005.