

By: Ritter

H.B. No. 1007

A BILL TO BE ENTITLED

AN ACT

relating to certain low-interest home loan programs administered by the Texas State Affordable Housing Corporation.

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

SECTION 1. Section 2306.563, Government Code, as added by Chapter 1050, Acts of the 78th Legislature, Regular Session, 2003, is renumbered as Section 2306.5621, Government Code, and amended to read as follows:

Sec. 2306.5621 [~~Sec. 2306.563~~]. FIRE FIGHTER AND LAW ENFORCEMENT OR SECURITY [~~POLICE~~] OFFICER HOME LOAN PROGRAM. (a) In this section:

(1) "Fire fighter" means a member of a fire department who performs a function listed in [~~has the meaning assigned by~~] Section 419.021(3)(C), [~~143.003, Local~~] Government Code.

(2) "Home" means a dwelling in this state in which a fire fighter, corrections officer, county jailer, public security officer, or peace [~~police~~] officer intends to reside as the fire fighter's or the [~~police~~] officer's or jailer's principal residence.

(3) "Mortgage lender" has the meaning assigned by Section 2306.004.

(4) "Peace officer" [~~"Police officer"~~] has the meaning assigned by Section 1.07(a)(36), Penal [~~143.003, Local Government~~] Code.

1           (5) "Program" means the fire fighter, law enforcement  
2 officer, and security [~~police~~] officer home loan program.

3           (6) "Corrections officer" means an officer of a state  
4 jail felony facility authorized by Subchapter A, Chapter 507.

5           (7) "County jailer" has the meaning assigned by  
6 Section 1701.001, Occupations Code.

7           (8) "Public security officer" has the meaning assigned  
8 by Section 1701.001, Occupations Code.

9           (b) The corporation shall establish a program to provide  
10 eligible fire fighters, corrections officers, county jailers,  
11 public security officers, and peace [~~police~~] officers with  
12 low-interest home mortgage loans.

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

15           (1) be a fire fighter, corrections officer, county  
16 jailer, public security officer, or peace [~~police~~] officer;

17           (2) reside in this state; and

18           (3) have an income of not more than 115 percent of area  
19 median family income, adjusted for family size, or the maximum  
20 amount permitted by Section 143(f), Internal Revenue Code of 1986,  
21 whichever is greater.

22           (d) The corporation may contract with other agencies of the  
23 state or with private entities to determine whether applicants  
24 qualify as fire fighters, corrections officers, county jailers,  
25 public security officers, or peace [~~police~~] officers under this  
26 section or otherwise to administer all or part of this section.

27           (e) The board of directors of the corporation may set and

1 collect from each applicant any fees the board considers reasonable  
2 and necessary to cover the expenses of administering the program.

3 (f) The board of directors of the corporation shall adopt  
4 rules governing:

5 (1) the administration of the program;

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

7 (3) the criteria for approving mortgage lenders;

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

11 (5) the verification of occupancy of the home by the  
12 fire fighter, corrections officer, county jailer, public security  
13 officer, or peace [police] officer as the fire fighter's or the  
14 [police] officer's or jailer's principal residence; and

15 (6) the terms of any contract made with any mortgage  
16 lender for processing, originating, servicing, or administering  
17 the loans.

18 (g) The corporation shall ensure that a loan under this  
19 section is structured in a way that complies with any requirements  
20 associated with the source of the funds used for the loan.

21 (h) In addition to funds set aside for the program under  
22 Section 1372.0222, the corporation may solicit and accept funding  
23 for the program from the following sources:

24 (1) gifts and grants for the purposes of this section;

25 (2) available money in the housing trust fund  
26 established under Section 2306.201, to the extent available to the  
27 corporation;

1 (3) federal block grants that may be used for the  
2 purposes of this section, to the extent available to the  
3 corporation;

4 (4) other state or federal programs that provide money  
5 that may be used for the purposes of this section; and

6 (5) amounts received by the corporation in repayment  
7 of loans made under this section.

8 (h-1) To fund home mortgage loans for eligible fire  
9 fighters, corrections officers, county jailers, public security  
10 officers, and peace officers under this section, the corporation  
11 may use proceeds received from the sale of bonds, notes, or other  
12 obligations issued under the fire fighter and police officer home  
13 loan program as that program existed immediately before amendment  
14 of this section by the 79th Legislature, Regular Session, 2005,  
15 regardless of the eligibility standards for loans made under the  
16 fire fighter and police officer home loan program and regardless of  
17 when the corporation received the proceeds from those bonds, notes,  
18 or other obligations issued under that program.

19 (i) This section expires September 1, 2014.

20 SECTION 2. Section 1372.0222, Government Code, is amended  
21 to read as follows:

22 Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR  
23 FIRE FIGHTER AND LAW ENFORCEMENT OR SECURITY [~~POLICE~~] OFFICER HOME  
24 LOAN PROGRAM. Until August 1, out of that portion of the state  
25 ceiling that is available exclusively for reservations by issuers  
26 of qualified mortgage bonds under Section 1372.022, \$25 million  
27 shall be allotted each year and made available exclusively to the

1 Texas State Affordable Housing Corporation for the purpose of  
2 issuing qualified mortgage bonds in connection with the fire  
3 fighter, law enforcement officer, and security [~~police~~] officer  
4 home loan program established under Section 2306.5621 [~~2306.563~~].

5 SECTION 3. Section 1372.025(b), Government Code, is amended  
6 to read as follows:

7 (b) Subsection (a) does not apply to qualified mortgage  
8 bonds or qualified residential rental project bonds made available  
9 exclusively to the Texas Department of Housing and Community  
10 Affairs under Section 1372.023 or the Texas State Affordable  
11 Housing Corporation under Sections 1372.0221 and 1372.0222.

12 SECTION 4. Section 1372.028(d), Government Code, is amended  
13 to read as follows:

14 (d) An issuer is not required to provide the statement  
15 required by Subsection (c)(3)(F) if the issuer:

16 (1) is an issuer of a state-voted issue;

17 (2) is the Texas Department of Housing and Community  
18 Affairs, ~~or~~ the Texas Agricultural Finance Authority, or the  
19 Texas State Affordable Housing Corporation; or

20 (3) provides evidence that one or more binding  
21 contracts have been entered into, or other evidence acceptable to  
22 the board as described by program rule, to spend the unexpended  
23 proceeds by the later of:

24 (A) 12 months after the date the board receives  
25 the application; or

26 (B) December 31 of the program year for which the  
27 application is filed.

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

3 (a) The public purpose of the corporation is to perform  
4 activities and services that the corporation's board of directors  
5 determines will promote the public health, safety, and welfare  
6 through the provision of adequate, safe, and sanitary housing  
7 primarily for individuals and families of low, very low, and  
8 extremely low income, for professional educators under the  
9 professional educators home loan program as provided by Section  
10 2306.562, and for fire fighters, corrections officers, county  
11 jailers, public security officers, and peace [~~police~~] officers  
12 under the fire fighter, law enforcement officer, and security  
13 [~~police~~] officer home loan program as provided by Section 2306.5621  
14 [~~2306.563~~]. The activities and services shall include engaging in  
15 mortgage banking activities and lending transactions and  
16 acquiring, holding, selling, or leasing real or personal property.

17 (b) The corporation's primary public purpose is to  
18 facilitate the provision of housing by issuing qualified 501(c)(3)  
19 bonds and qualified residential rental project bonds and by making  
20 affordable loans to individuals and families of low, very low, and  
21 extremely low income, to professional educators under the  
22 professional educators home loan program, and to fire fighters,  
23 corrections officers, county jailers, public security officers,  
24 and peace [~~police~~] officers under the fire fighter, law enforcement  
25 officer, and security [~~police~~] officer home loan program. The  
26 corporation may make first lien, single family purchase money  
27 mortgage loans for single family homes only to individuals and

1 families of low, very low, and extremely low income if the  
2 individual's or family's household income is not more than the  
3 greater of 60 percent of the median income for the state, as defined  
4 by the United States Department of Housing and Urban Development,  
5 or 60 percent of the area median family income, adjusted for family  
6 size, as defined by that department. The corporation may make loans  
7 for multifamily developments if:

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

12           (2) at least 20 percent of the units in a multifamily  
13 development are affordable to individuals and families with incomes  
14 at or below 50 percent of the median family income, adjusted for  
15 family size.

16           SECTION 6. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2005.