

BILL ANALYSIS

C.S.H.B. 584
By: Deshotel
Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Bootstrap Loan Program began in 1999 and was designed to promote and enhance homeownership for low, very low, and extremely low income Texans. The program provided loan funds to purchase, refinance real property and build residential housing or improve existing residential housing throughout Texas.

Since then, prices associated with the buying and building of homes have risen. Further, there have been escalating costs due to natural disasters, such as hurricanes. C.S.H.B. 584 increases the total loan amount that an owner-builder may receive to \$90,000 in the Texas Bootstrap Loan Program.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 2306.754(b), Government Code, to increase the total loan amount that an owner-builder may receive from \$60,000 to \$90,000.

SECTION 2. Establishes that this Act only applies to loans initially awarded on or after September 1, 2007.

SECTION 3. States the effective date for this Act.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by amending the caption to specifically refer to the loan amount available in the Texas Bootstrap Loan Program. Instead of tying the additional loan amount to the same index, C.S.H.B. 584 now increases the total loan amount that an owner-builder may not exceed from \$60,000 to \$90,000. C.S.H.B. 584 no longer amends sections that would have decreased the amount of sweat equity required to build proposed housing and eliminates the Texas Department of Housing and Community Affairs rule-making authority. Also, the substitute no longer ties the owner-builder program loan amount to the area loan limit determined by the United States Department of Agriculture nor does it set an amount that may not exceed 50% of 75% of the area loan limit. Finally, because the bill no longer repeals Section 2306.753(d), Government Code, the requirement that two-thirds of the awarded amounts for this program shall be in counties in whole or in part, within 100 miles of an international border and contain the majority of the area of a municipality with a population of more than 250,000 is no longer eliminated.