

## **BILL ANALYSIS**

Senate Research Center

S.B. 1185  
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Finance  
7/2/2007  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The legislature established professional educator and nursing faculty home loan programs as a way to acknowledge the personal sacrifices made by persons who enter these professions and make it easier for them to become homeowners. Home loan programs for professional educators and nursing faculty are held separately. Tying these programs together may bring increased efficiency. Currently, allied health professionals are not included in the existing home loan program.

Additionally, these home loan programs, administered by the Texas State Affordable Housing Corporation (corporation), are mandated to only consider applications from individuals at or below 115 percent of the area median family income. The federal government recently authorized an increase of the income limits for persons applying for home loans under these programs in areas affected by Hurricane Rita, and may make similar allowances in other areas. Statutory change is required to authorize the corporation to do the same.

S.B. 1185 creates a home loan program for allied health professionals in combination with the home loan programs for professional educators and nursing faculty.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1372.0221, Government Code, as follows:

Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR PROFESSIONAL EDUCATORS HOME LOAN PROGRAM. Requires that out of that portion of the state ceiling that is available exclusively for reservations by the Texas State Affordable Housing Corporation (corporation) under Section 1372.0223, 54.5 percent be allotted each year and made available to the corporation, rather than made available exclusively to the corporation, until August 7, rather than August 1, for the purpose of issuing qualified mortgage bonds in connection with the professional educators home loan program established under Section 2306.562 (Professional Educators Home Loan Program). Deletes existing text referencing issuers of qualified mortgage bonds, under Section 1372.022 (Availability of State Ceiling to Issuers), and requiring the amount allotted under this subsection to be \$25 million.

SECTION 2. Amends Section 1372.0222, Government Code, as follows:

Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR FIRE FIGHTERS AND LAW ENFORCEMENT OR SECURITY OFFICER HOME LOAN PROGRAM. Makes conforming changes.

SECTION 3. Amends Section 1372.0223, Government Code, as follows:

Sec. 1372.0223. New Heading DEDICATION OF PORTION OF STATE CEILING TO CERTAIN ISSUERS OF QUALIFIED MORTGAGE BONDS. Provides that until August 7, rather than August 1, out of the portion of the state ceiling that is available

exclusively for reservations by issuers of qualified mortgage bonds under Section 1372.022, 10 percent is available exclusively to the corporation for the purpose of issuing qualified mortgage bonds; and 56.66 percent is available exclusively to housing finance corporations for the purpose of issuing qualified mortgage bonds. Deletes existing text requiring that \$5 million be allotted each year and made available out of the portion of the state ceiling that is available exclusively to the corporation for the purpose of issuing qualified mortgage bonds and in connection with the professional nursing program faculty member home loan program established under Section 2306.5622 (Professional Nursing Program Faculty Member Home Loan Program).

SECTION 4. Amends Section 1372.023(a), Government Code, to provide that, of that portion of the state ceiling that is available exclusively for reservation by issuers of qualified mortgage bonds, until August 15, rather than August 7, 33.34 percent, rather than one-third, is available exclusively to the Texas Department of Housing and Community Affairs for the purpose of issuing qualified mortgage bonds.

SECTION 5. Amends Section 1372.037(a), Government Code, to prohibit the Bond Review Board, before August 15, rather than September 1, from granting for any single project a reservation for that year that is greater than certain amounts based on the issuer, except as provided by Subsection (b). Exempts the corporation from application of the prohibition from granting for any single project a reservation for that year that is greater than \$25 million, if the issuer is an issuer of qualified mortgage bonds.

SECTION 6. Amends Sections 2306.553(a) and (b), Government Code, as follows:

(a) Provides that the corporation is to provide adequate, safe, and sanitary housing for persons who are eligible for loans, rather than professional educators, under Sections 2306.562 (Professional Educators Home Loan Program) and 2306.5621 (Fire Fighter and Law Enforcement or Security Officer Home Loan Program) under home loan programs applicable to individuals in certain professions, rather than the professional educators home loan program. Deletes existing text relating to loan programs for persons in certain occupations.

(b) Provides that the corporation's primary public purpose is to facilitate the provision of housing to persons who are eligible for loans under programs provided by Sections 2306.562 and 2306.5621, Government Code. Deletes existing text relating to certain programs designed to provide home loans to individuals in certain professions.

SECTION 7. Amends Sections 2306.562(a), (b), and (c), Government Code, as follows:

(a) Defines "allied health program faculty member," "graduate allied health program," "graduate professional nursing program," "undergraduate professional nursing program," "professional nursing program faculty member," and "undergraduate allied health program." Redefines "professional educator." Makes conforming changes.

(b) Requires the corporation to establish a program to provide low-interest home mortgage loans to eligible professional educators whose income does not exceed the greater of 115 percent of area median family income, adjusted for family size, or the maximum amount permitted by Section 143f (Income Requirements), Internal Revenue Code of 1986. Makes a conforming change.

(c) Requires a professional educator to be employed by a school district or be an allied health or professional nursing program faculty member in this state on the application date in order to be eligible for a loan under this section (Professional Educators Home Loan Program).

SECTION 8. Repealer: Section 2306.5622 (Professional Nursing Program Faculty Member Home Loan Program), Government Code.

SECTION 9. Requires the corporation to aggressively pursue funding for the professional educators home loan program required by Section 2306.562, Government Code, as amended by this Act.

SECTION 10. Effective date: September 1, 2007.