

By: Deshotel

H.B. No. 584

A BILL TO BE ENTITLED

AN ACT

relating to the owner-builder loan program.

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

SECTION 1. Section 2306.753(b), Government Code, is amended to read as follows:

(b) To be eligible for a loan under this subchapter, an owner-builder:

(1) may not have an annual income that exceeds 60 percent, as determined by the department, of the greater of the state or local median family income, when combined with the income of any person who resides with the owner-builder;

(2) must have resided in this state for the preceding six months;

(3) must have successfully completed an owner-builder education class under Section 2306.756; and

(4) ~~[must agree to:~~
~~[(A) provide at least 60 percent of the labor necessary to build the proposed housing]~~ by working through a state-certified nonprofit owner-builder housing program, must agree to provide a reasonable amount of labor, as established by department rule, to build:

(A) the proposed housing; or

~~(B) [provide an amount of labor equivalent to the amount required under Paragraph (A) in connection with building]~~

1 housing for others [~~through a state-certified nonprofit~~
2 ~~owner-builder housing program~~].

3 SECTION 2. Sections 2306.754(a) and (b), Government Code,
4 are amended to read as follows:

5 (a) The department may establish the minimum amount of a
6 loan under this subchapter, but a loan may not exceed 50 percent of
7 an amount equal to 75 percent of the area loan limit for the county
8 in which the real property is located, as established and updated at
9 least annually for the direct single family housing programs
10 operated by the rural housing service of the United States
11 Department of Agriculture, as described by 7 C.F.R. Part 3550
12 [\$30,000].

13 (b) If it is not possible for an owner-builder to purchase
14 necessary real property and build adequate housing for the minimum
15 loan amount established as described by Subsection (a) [\$30,000],
16 the owner-builder must obtain the additional amount necessary [~~that~~
17 ~~exceeds \$30,000~~] from one or more local governmental entities,
18 nonprofit organizations, or private lenders. The total amount of
19 loans made by the department and other entities to an owner-builder
20 under this subchapter may not exceed 75 percent of the area loan
21 limit for the county in which the real property is located, as
22 established and updated at least annually for the direct single
23 family housing programs operated by the rural housing service of
24 the United States Department of Agriculture, as described by 7
25 C.F.R. Part 3550 [~~\$60,000~~].

26 SECTION 3. Section 2306.753(d), Government Code, is
27 repealed.

1 SECTION 4. The changes in law made by this Act apply to a
2 loan that is initially awarded to an owner-builder under Subchapter
3 FF, Chapter 2306, Government Code, on or after the effective date of
4 this Act.

5 SECTION 5. This Act takes effect September 1, 2007.