

1-1 By: Bonnen, et al. (Senate Sponsor - Jackson) H.B. No. 618
1-2 (In the Senate - Received from the House March 26, 2007;
1-3 April 3, 2007, read first time and referred to Committee on
1-4 Finance; May 19, 2007, reported favorably by the following vote:
1-5 Yeas 11, Nays 0; May 19, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the eligibility of emergency medical services personnel
1-9 to participate in a low-interest home loan program offered by the
1-10 state.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Sections 2306.553(a) and (b), Government Code,
1-13 are amended to read as follows:

1-14 (a) The public purpose of the corporation is to perform
1-15 activities and services that the corporation's board of directors
1-16 determines will promote the public health, safety, and welfare
1-17 through the provision of adequate, safe, and sanitary housing
1-18 primarily for individuals and families of low, very low, and
1-19 extremely low income, for professional educators under the
1-20 professional educators home loan program as provided by Section
1-21 2306.562, for fire fighters, corrections officers, county jailers,
1-22 public security officers, ~~and~~ peace officers, and emergency
1-23 medical services personnel under the fire fighter, law enforcement
1-24 or ~~officer, and~~ security officer, and emergency medical services
1-25 personnel home loan program as provided by Section 2306.5621, and
1-26 for professional nursing program faculty members under the
1-27 professional nursing program faculty member home loan program as
1-28 provided by Section 2306.5622. The activities and services shall
1-29 include engaging in mortgage banking activities and lending
1-30 transactions and acquiring, holding, selling, or leasing real or
1-31 personal property.

1-32 (b) The corporation's primary public purpose is to
1-33 facilitate the provision of housing by issuing qualified 501(c)(3)
1-34 bonds and qualified residential rental project bonds and by making
1-35 affordable loans to individuals and families of low, very low, and
1-36 extremely low income, to professional educators under the
1-37 professional educators home loan program, to fire fighters,
1-38 corrections officers, county jailers, public security officers,
1-39 ~~and~~ peace officers, and emergency medical services personnel
1-40 under the fire fighter, law enforcement or ~~officer, and~~ security
1-41 officer, and emergency medical services personnel home loan
1-42 program, and to professional nursing program faculty members under
1-43 the professional nursing program faculty member home loan program.
1-44 The corporation may make first lien, single family purchase money
1-45 mortgage loans for single family homes only to individuals and
1-46 families of low, very low, and extremely low income if the
1-47 individual's or family's household income is not more than the
1-48 greater of 60 percent of the median income for the state, as defined
1-49 by the United States Department of Housing and Urban Development,
1-50 or 60 percent of the area median family income, adjusted for family
1-51 size, as defined by that department. The corporation may make loans
1-52 for multifamily developments if:

1-53 (1) at least 40 percent of the units in a multifamily
1-54 development are affordable to individuals and families with incomes
1-55 at or below 60 percent of the median family income, adjusted for
1-56 family size; or

1-57 (2) at least 20 percent of the units in a multifamily
1-58 development are affordable to individuals and families with incomes
1-59 at or below 50 percent of the median family income, adjusted for
1-60 family size.

1-61 SECTION 2. Section 2306.5621, Government Code, is amended
1-62 to read as follows:

1-63 Sec. 2306.5621. FIRE FIGHTER, ~~AND~~ LAW ENFORCEMENT OR
1-64 SECURITY OFFICER, AND EMERGENCY MEDICAL SERVICES PERSONNEL HOME

2-1 LOAN PROGRAM. (a) In this section:

2-2 (1) "Fire fighter" means a member of a fire department
2-3 who performs a function listed in Section 419.021(3)(C), Government
2-4 Code.

2-5 (2) "Home" means a dwelling in this state in which a
2-6 fire fighter, corrections officer, county jailer, public security
2-7 officer, ~~or~~ peace officer, or person defined as emergency medical
2-8 services personnel under this section intends to reside as the
2-9 borrower's ~~[fire fighter's or the officer's or jailer's]~~ principal
2-10 residence.

2-11 (3) "Mortgage lender" has the meaning assigned by
2-12 Section 2306.004.

2-13 (4) "Peace officer" has the meaning assigned by
2-14 Section 1.07(a)(36), Penal Code.

2-15 (5) "Program" means the fire fighter, law enforcement
2-16 or [officer, and] security officer, and emergency medical services
2-17 personnel home loan program.

2-18 (6) "Corrections officer" means an officer employed by
2-19 the Texas Department of Criminal Justice.

2-20 (7) "County jailer" has the meaning assigned by
2-21 Section 1701.001, Occupations Code.

2-22 (8) "Public security officer" has the meaning assigned
2-23 by Section 1701.001, Occupations Code.

2-24 (9) "Emergency medical services personnel" has the
2-25 meaning assigned by Section 773.003, Health and Safety Code.

2-26 (b) The corporation shall establish a program to provide
2-27 eligible fire fighters, corrections officers, county jailers,
2-28 public security officers, ~~and~~ peace officers, and emergency
2-29 medical services personnel with low-interest home mortgage loans.

2-30 (c) To be eligible for a loan under this section, at the time
2-31 a person files an application for the loan, the person must:

2-32 (1) be a fire fighter, corrections officer, county
2-33 jailer, public security officer, ~~or~~ peace officer, or person
2-34 defined as emergency medical services personnel under this section;

2-35 (2) reside in this state; and

2-36 (3) have an income of not more than 115 percent of area
2-37 median family income, adjusted for family size, or the maximum
2-38 amount permitted by Section 143(f), Internal Revenue Code of 1986,
2-39 whichever is greater.

2-40 (d) The corporation may contract with other agencies of the
2-41 state or with private entities to determine whether applicants
2-42 qualify as fire fighters, corrections officers, county jailers,
2-43 public security officers, ~~or~~ peace officers, or emergency medical
2-44 services personnel under this section or otherwise to administer
2-45 all or part of this section.

2-46 (e) The board of directors of the corporation may set and
2-47 collect from each applicant any fees the board considers reasonable
2-48 and necessary to cover the expenses of administering the program.

2-49 (f) The board of directors of the corporation shall adopt
2-50 rules governing:

2-51 (1) the administration of the program;

2-52 (2) the making of loans under the program;

2-53 (3) the criteria for approving mortgage lenders;

2-54 (4) the use of insurance on the loans and the homes
2-55 financed under the program, as considered appropriate by the board
2-56 to provide additional security for the loans;

2-57 (5) the verification of occupancy of the home by the
2-58 fire fighter, corrections officer, county jailer, public security
2-59 officer, ~~or~~ peace officer, or person defined as emergency medical
2-60 services personnel as the borrower's ~~[fire fighter's or the~~
2-61 ~~officer's or jailer's]~~ principal residence; and

2-62 (6) the terms of any contract made with any mortgage
2-63 lender for processing, originating, servicing, or administering
2-64 the loans.

2-65 (g) The corporation shall ensure that a loan under this
2-66 section is structured in a way that complies with any requirements
2-67 associated with the source of the funds used for the loan.

2-68 (h) In addition to funds set aside for the program under
2-69 Section 1372.0222, the corporation may solicit and accept funding

3-1 for the program from the following sources:

3-2 (1) gifts and grants for the purposes of this section;

3-3 (2) available money in the housing trust fund
3-4 established under Section 2306.201, to the extent available to the
3-5 corporation;

3-6 (3) federal block grants that may be used for the
3-7 purposes of this section, to the extent available to the
3-8 corporation;

3-9 (4) other state or federal programs that provide money
3-10 that may be used for the purposes of this section; and

3-11 (5) amounts received by the corporation in repayment
3-12 of loans made under this section.

3-13 (h-1) To fund home mortgage loans for eligible fire
3-14 fighters, corrections officers, county jailers, public security
3-15 officers, ~~[and]~~ peace officers, and emergency medical services
3-16 personnel under this section, the corporation may use any proceeds
3-17 received from the sale of bonds, notes, or other obligations issued
3-18 under the ~~[fire fighter and police officer]~~ home loan program
3-19 provided by this section [as that program existed immediately
3-20 before amendment of this section by the 79th Legislature, Regular
3-21 Session, 2005], regardless of any amendments to the eligibility
3-22 standards for loans made under the [fire fighter and police officer
3-23 home loan] program and regardless of when the corporation received
3-24 the proceeds from those bonds, notes, or other obligations issued
3-25 under the ~~[that]~~ program.

3-26 (i) This section expires September 1, 2014.

3-27 SECTION 3. Section 1372.0222, Government Code, is amended
3-28 to read as follows:

3-29 Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR
3-30 FIRE FIGHTER, ~~[AND]~~ LAW ENFORCEMENT OR SECURITY OFFICER, AND
3-31 EMERGENCY MEDICAL SERVICES PERSONNEL HOME LOAN PROGRAM. Until
3-32 August 1, out of that portion of the state ceiling that is available
3-33 exclusively for reservations by issuers of qualified mortgage bonds
3-34 under Section 1372.022, \$25 million shall be allotted each year and
3-35 made available exclusively to the Texas State Affordable Housing
3-36 Corporation for the purpose of issuing qualified mortgage bonds in
3-37 connection with the fire fighter, law enforcement or [officer, and]
3-38 security officer, and emergency medical services personnel home
3-39 loan program established under Section 2306.5621.

3-40 SECTION 4. This Act takes effect immediately if it receives
3-41 a vote of two-thirds of all the members elected to each house, as
3-42 provided by Section 39, Article III, Texas Constitution. If this
3-43 Act does not receive the vote necessary for immediate effect, this
3-44 Act takes effect on the 91st day after the last day of the
3-45 legislative session.

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