

By: Rodriguez

H.B. No. 3627

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to housing funds for certain disabled persons and the  
3 creation of the person with permanent disability home loan program.

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

5 SECTION 1. Section 2306.111(c), Government Code, as amended  
6 by Chapters 1367 and 1448, Acts of the 77th Legislature, Regular  
7 Session, 2001, is reenacted and amended to read as follows:

8 (c) In administering federal housing funds provided to the  
9 state under the Cranston-Gonzalez National Affordable Housing Act  
10 (42 U.S.C. Section 12701 et seq.), the department shall expend the  
11 ~~[at least 95 percent of these]~~ funds for the benefit of  
12 non-participating small cities and rural areas that do not qualify  
13 to receive funds under the Cranston-Gonzalez National Affordable  
14 Housing Act directly from the United States Department of Housing  
15 and Urban Development, except that the department may elect to  
16 spend any amount of the ~~[- All]~~ funds ~~[not set aside under this~~  
17 ~~subsection shall be used]~~ for the benefit of persons with  
18 disabilities who live in any area of this state ~~[areas other than~~  
19 ~~non-participating areas]~~.

20 SECTION 2. Section 2306.111(d-1), Government Code, is  
21 amended to read as follows:

22 (d-1) Funds or credits are not required to be allocated  
23 according to the regional allocation formula under Subsection (d)  
24 if:

1           (1) the funds or credits are reserved for  
2 contract-for-deed conversions or for set-asides mandated by state  
3 or federal law, including any set-asides allocated by the  
4 department for persons with disabilities under Subsection (c); and

5           (2) each contract-for-deed allocation or set-aside  
6 allocation equals not more than 10 percent of the total allocation  
7 of funds or credits for the applicable program.

8           SECTION 3. Subchapter B, Chapter 1372, Government Code, is  
9 amended by adding Section 1372.0225 to read as follows:

10           Sec. 1372.0225. DEDICATION OF PORTION OF STATE CEILING FOR  
11 PERSON WITH PERMANENT DISABILITY HOME LOAN PROGRAM. Until August  
12 1, out of that portion of the state ceiling that is available  
13 exclusively for reservations by issuers of qualified mortgage bonds  
14 under Section 1372.022, \$5 million shall be allotted each year and  
15 made available exclusively to the Texas State Affordable Housing  
16 Corporation for the purpose of issuing qualified mortgage bonds in  
17 connection with the person with permanent disability home loan  
18 program established under Section 2306.5624.

19           SECTION 4. Sections 2306.553(a) and (b), Government Code,  
20 are amended to read as follows:

21           (a) The public purpose of the corporation is to perform  
22 activities and services that the corporation's board of directors  
23 determines will promote the public health, safety, and welfare  
24 through the provision of adequate, safe, and sanitary housing  
25 primarily for individuals and families of low, very low, and  
26 extremely low income and[7] for persons who are eligible for loans  
27 [~~professional educators~~] under the [~~professional educators~~] home

1 loan programs [~~program as~~] provided by Sections [~~Section~~] 2306.562,  
2 [~~for fire fighters, corrections officers, county jailers, public~~  
3 ~~security officers, and peace officers under the fire fighter, law~~  
4 ~~enforcement officer, and security officer home loan program as~~  
5 ~~provided by Section~~] 2306.5621, [~~and for professional nursing~~  
6 ~~program faculty members under the professional nursing program~~  
7 ~~faculty member home loan program as provided by Section~~] 2306.5622,  
8 and 2306.5624. The activities and services shall include engaging  
9 in mortgage banking activities and lending transactions and  
10 acquiring, holding, selling, or leasing real or personal property.

11 (b) The corporation's primary public purpose is to  
12 facilitate the provision of housing by issuing qualified 501(c)(3)  
13 bonds and qualified residential rental project bonds and by making  
14 affordable loans to individuals and families of low, very low, and  
15 extremely low income and[~~7~~] to persons who are eligible for loans  
16 under the home loan programs provided by Sections 2306.562,  
17 2306.5621, 2306.5622, and 2306.5624 [~~professional educators under~~  
18 ~~the professional educators home loan program, to fire fighters,~~  
19 ~~corrections officers, county jailers, public security officers,~~  
20 ~~and peace officers under the fire fighter, law enforcement officer,~~  
21 ~~and security officer home loan program, and to professional nursing~~  
22 ~~program faculty members under the professional nursing program~~  
23 ~~faculty member home loan program~~]. The corporation may make first  
24 lien, single family purchase money mortgage loans for single family  
25 homes only to individuals and families of low, very low, and  
26 extremely low income if the individual's or family's household  
27 income is not more than the greater of 60 percent of the median

1 income for the state, as defined by the United States Department of  
2 Housing and Urban Development, or 60 percent of the area median  
3 family income, adjusted for family size, as defined by that  
4 department. The corporation may make loans for multifamily  
5 developments if:

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

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

14 SECTION 5. Subchapter Y, Chapter 2306, Government Code, is  
15 amended by adding Section 2306.5624 to read as follows:

16 Sec. 2306.5624. PERSON WITH PERMANENT DISABILITY HOME LOAN  
17 PROGRAM. (a) In this section:

18 (1) "Home" means a dwelling in this state in which a  
19 person with a permanent disability intends to reside as the  
20 person's principal residence.

21 (2) "Mortgage lender" has the meaning assigned by  
22 Section 2306.004.

23 (3) "Person with a permanent disability" means a  
24 person who has a permanent disability under the meaning of  
25 "disability" assigned by Section 3(2), Americans with Disabilities  
26 Act of 1990 (42 U.S.C. Section 12102(2)).

27 (4) "Program" means the person with permanent

1 disability home loan program.

2 (b) The corporation shall establish a program to provide  
3 low-interest home mortgage loans to eligible persons with permanent  
4 disabilities and parents, legal guardians, or conservators of  
5 children who are persons with permanent disabilities.

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

8 (1) be a person with a permanent disability or the  
9 parent, legal guardian, or conservator of a child who is a person  
10 with a permanent disability;

11 (2) reside in this state; and

12 (3) have an income of not more than 115 percent of area  
13 median family income, adjusted for family size.

14 (d) The corporation may contract with other agencies of the  
15 state or with private entities to determine whether applicants  
16 qualify under this section as persons with permanent disabilities  
17 or parents, legal guardians, or conservators of children who are  
18 persons with permanent disabilities or otherwise to administer all  
19 or part of this section.

20 (e) The board of directors of the corporation may set and  
21 collect from each applicant any fees the board considers reasonable  
22 and necessary to cover the expenses of administering the program.

23 (f) The board of directors of the corporation shall adopt  
24 rules governing:

25 (1) the administration of the program;

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

27 (3) the criteria for approving mortgage lenders;

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

4           (5) the verification of occupancy of the home by the  
5 person with a permanent disability as the person's principal  
6 residence; and

7           (6) the terms of any contract made with any mortgage  
8 lender for processing, originating, servicing, or administering  
9 the loans.

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

13          (h) In addition to funds set aside for the program under  
14 Section 1372.0225, the corporation may solicit and accept funding  
15 for the program from the following sources:

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

17           (2) available money in the housing trust fund  
18 established under Section 2306.201, to the extent available to the  
19 corporation;

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

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

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

27          (i) This section expires September 1, 2018.

1           SECTION 6. The Texas State Affordable Housing Corporation  
2 shall:

3                   (1) aggressively pursue funding for the person with  
4 permanent disability home loan program required by Section  
5 2306.5624, Government Code, as added by this Act; and

6                   (2) implement the person with permanent disability  
7 home loan program required by that section not later than September  
8 1, 2007, or as soon thereafter as practicable.

9           SECTION 7. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect September 1, 2007.