

By: West, Royce

S.B. No. 729

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the issuance and use of private activity bonds by the  
3 Texas State Affordable Housing Corporation and housing finance  
4 corporations.

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

6 SECTION 1. Section 1372.0221, Government Code, is amended  
7 to read as follows:

8 Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR  
9 PROFESSIONAL EDUCATORS HOME LOAN PROGRAM. Until August 1, out of  
10 that portion of the state ceiling that is available exclusively for  
11 reservations by the Texas State Affordable Housing Corporation  
12 [~~issuers of qualified mortgage bonds~~] under Section 1372.0223, 54.5  
13 percent [~~1372.022, \$25 million~~] shall be allotted each year and  
14 made available [~~exclusively~~] to the corporation [~~Texas State~~  
15 ~~Affordable Housing Corporation~~] for the purpose of issuing  
16 qualified mortgage bonds in connection with the professional  
17 educators home loan program established under Section 2306.562.

18 SECTION 2. Section 1372.0222, Government Code, is amended  
19 to read as follows:

20 Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR  
21 FIRE FIGHTER AND LAW ENFORCEMENT OR SECURITY OFFICER HOME LOAN  
22 PROGRAM. Until August 1, out of that portion of the state ceiling  
23 that is available exclusively for reservations by the Texas State  
24 Affordable Housing Corporation [~~issuers of qualified mortgage~~

1 ~~bonds~~] under Section 1372.0223, 45.5 percent [~~1372.022, \$25~~  
2 ~~million~~] shall be allotted each year and made available  
3 [~~exclusively~~] to the corporation [~~Texas State Affordable Housing~~  
4 ~~Corporation~~] for the purpose of issuing qualified mortgage bonds in  
5 connection with the fire fighter, law enforcement officer, and  
6 security officer home loan program established under Section  
7 2306.5621.

8 SECTION 3. Section 1372.037(a), Government Code, is amended  
9 to read as follows:

10 (a) Except as provided by Subsection (b), before September 1  
11 the board may not grant for any single project a reservation for  
12 that year that is greater than:

13 (1) [~~\$25 million, if the issuer is an issuer of~~  
14 ~~qualified mortgage bonds, other than the Texas Department of~~  
15 ~~Housing and Community Affairs,~~

16 [~~(2)~~] \$50 million, if the issuer is an issuer of a  
17 state-voted issue, other than the Texas Higher Education  
18 Coordinating Board, or \$75 million, if the issuer is the Texas  
19 Higher Education Coordinating Board;

20 (2) [~~(3)~~] the amount to which the Internal Revenue  
21 Code limits issuers of qualified small issue bonds and enterprise  
22 zone facility bonds, if the issuer is an issuer of those bonds;

23 (3) [~~(4)~~] the lesser of \$15 million or 15 percent of  
24 the amount set aside for reservation by issuers of qualified  
25 residential rental project bonds, if the issuer is an issuer of  
26 those bonds;

27 (4) [~~(5)~~] the amount as prescribed in Sections

1 1372.033(d), (e), and (f), if the issuer is an issuer authorized by  
2 Section 53.47, Education Code, to issue qualified student loan  
3 bonds; or

4 (5) [~~(6)~~] \$50 million, if the issuer is any other  
5 issuer of bonds that require an allocation.

6 SECTION 4. Section 1372.0223, Government Code, is amended  
7 to read as follows:

8 Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING TO  
9 CERTAIN ISSUERS OF QUALIFIED MORTGAGE BONDS [~~FOR PROFESSIONAL~~  
10 ~~NURSING PROGRAM FACULTY MEMBER HOME LOAN PROGRAM~~]. Until August 15  
11 [~~1~~], out of that portion of the state ceiling that is available  
12 exclusively for reservations by issuers of qualified mortgage bonds  
13 under Section 1372.022:

14 (1) 10 percent is [~~, \$5 million shall be allotted each~~  
15 ~~year and made~~] available exclusively to the Texas State Affordable  
16 Housing Corporation for the purpose of issuing qualified mortgage  
17 bonds; and

18 (2) 56.66 percent is available exclusively to housing  
19 finance corporations for the purpose of issuing qualified mortgage  
20 bonds [~~in connection with the professional nursing program faculty~~  
21 ~~member home loan program established under Section 2306.5622~~].

22 SECTION 5. Sections 2306.553(a) and (b), Government Code,  
23 are amended to read as follows:

24 (a) The public purpose of the corporation is to perform  
25 activities and services that the corporation's board of directors  
26 determines will promote the public health, safety, and welfare  
27 through the provision of adequate, safe, and sanitary housing

1 primarily for individuals and families of low, very low, and  
2 extremely low income and[7] for persons who are eligible for loans  
3 ~~[professional educators]~~ under the ~~[professional educators]~~ home  
4 loan programs ~~[program as]~~ provided by Sections ~~[Section]~~ 2306.562  
5 and~~[, for fire fighters, corrections officers, county jailers,~~  
6 ~~public security officers, and peace officers under the fire~~  
7 ~~fighter, law enforcement officer, and security officer home loan~~  
8 ~~program as provided by Section]~~ 2306.5621~~[, and for professional~~  
9 ~~nursing program faculty members under the professional nursing~~  
10 ~~program faculty member home loan program as provided by Section~~  
11 ~~2306.5622]~~. The activities and services shall include engaging in  
12 mortgage banking activities and lending transactions and  
13 acquiring, holding, selling, or leasing real or personal property.

14 (b) The corporation's primary public purpose is to  
15 facilitate the provision of housing by issuing qualified 501(c)(3)  
16 bonds and qualified residential rental project bonds and by making  
17 affordable loans to individuals and families of low, very low, and  
18 extremely low income and[7] to persons who are eligible for loans  
19 under the home loan programs provided by Sections 2306.562 and  
20 2306.5621 ~~[professional educators under the professional educators~~  
21 ~~home loan program, to fire fighters, corrections officers, county~~  
22 ~~jailers, public security officers, and peace officers under the~~  
23 ~~fire fighter, law enforcement officer, and security officer home~~  
24 ~~loan program, and to professional nursing program faculty members~~  
25 ~~under the professional nursing program faculty member home loan~~  
26 ~~program]~~. The corporation may make first lien, single family  
27 purchase money mortgage loans for single family homes only to

1 individuals and families of low, very low, and extremely low income  
2 if the individual's or family's household income is not more than  
3 the greater of 60 percent of the median income for the state, as  
4 defined by the United States Department of Housing and Urban  
5 Development, or 60 percent of the area median family income,  
6 adjusted for family size, as defined by that department. The  
7 corporation may make loans for multifamily developments if:

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

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

16 SECTION 6. Section 2306.562(a), Government Code, is amended  
17 by amending Subdivision (3) and adding Subdivision (5) to read as  
18 follows:

19 (3) "Professional educator" means a classroom  
20 teacher, full-time paid teacher's aide, full-time librarian,  
21 full-time counselor certified under Subchapter B, Chapter 21,  
22 Education Code, or full-time school nurse, or a full-time faculty  
23 member of an undergraduate professional nursing program or graduate  
24 professional nursing program.

25 (5) "Undergraduate professional nursing program" and  
26 "graduate professional nursing program" have the meanings assigned  
27 by Section 54.221, Education Code.

1 SECTION 7. Sections 2306.562(b) and (c), Government Code,  
2 are amended to read as follows:

3 (b) The corporation shall establish a program to provide  
4 low-interest home mortgage loans to eligible professional  
5 educators whose income does not exceed 115 percent of area median  
6 family income, adjusted for family size [~~, with low-interest home~~  
7 ~~mortgage loans~~].

8 (c) To be eligible for a loan under this section, a  
9 professional educator must:

- 10 (1) reside in this state on the application date; and  
11 (2) be employed by a school district or be a full-time  
12 faculty member of an undergraduate professional nursing program or  
13 graduate professional nursing program in this state on the  
14 application date.

15 SECTION 8. Sections 1372.026(b) and 2306.5622, Government  
16 Code, are repealed.

17 SECTION 9. This Act takes effect September 1, 2007.