

By: Nelson

S.B. No. 1185

Substitute the following for S.B. No. 1185:

By: Mallory Caraway

C.S.S.B. No. 1185

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain low-interest home loan programs offered by the
3 state.

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

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

7 Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR
8 PROFESSIONAL EDUCATORS HOME LOAN PROGRAM. Until August 7 [~~±~~], out
9 of that portion of the state ceiling that is available exclusively
10 for reservations by the Texas State Affordable Housing Corporation
11 [~~issuers of qualified mortgage bonds~~] under Section 1372.0223, 54.5
12 percent [~~1372.022, \$25 million~~] shall be allotted each year and
13 made available [~~exclusively~~] to the corporation [~~Texas State~~
14 ~~Affordable Housing Corporation~~] for the purpose of issuing
15 qualified mortgage bonds in connection with the professional
16 educators home loan program established under Section 2306.562.

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

19 Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR
20 FIRE FIGHTER AND LAW ENFORCEMENT OR SECURITY OFFICER HOME LOAN
21 PROGRAM. Until August 7 [~~±~~], out of that portion of the state
22 ceiling that is available exclusively for reservations by the Texas
23 State Affordable Housing Corporation [~~issuers of qualified~~
24 ~~mortgage bonds~~] under Section 1372.0223, 45.5 percent [~~1372.022,~~

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

7 SECTION 3. Section 1372.0223, Government Code, is amended
8 to read as follows:

9 Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING TO
10 CERTAIN ISSUERS OF QUALIFIED MORTGAGE BONDS [~~FOR PROFESSIONAL~~
11 ~~NURSING PROGRAM FACULTY MEMBER HOME LOAN PROGRAM~~]. Until August 7
12 [~~15~~], 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:

15 (1) 10 percent is [~~7, \$5 million shall be allotted each~~
16 ~~year and made~~] available exclusively to the Texas State Affordable
17 Housing Corporation for the purpose of issuing qualified mortgage
18 bonds; and

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

23 SECTION 4. Section 1372.023(a), Government Code, is amended
24 to read as follows:

25 (a) Until August 7 [~~15~~], of that portion of the state
26 ceiling that is available exclusively for reservations by issuers
27 of qualified mortgage bonds, 33.34 percent [~~one-third~~] is available

1 exclusively to the Texas Department of Housing and Community
2 Affairs for the purpose of issuing qualified mortgage bonds.

3 SECTION 5. Section 1372.037(a), Government Code, is amended
4 to read as follows:

5 (a) Except as provided by Subsection (b), before August 15
6 [~~September 1~~] the board may not grant for any single project a
7 reservation for that year that is greater than:

8 (1) \$25 million, if the issuer is an issuer of
9 qualified mortgage bonds, other than the Texas Department of
10 Housing and Community Affairs or the Texas State Affordable Housing
11 Corporation;

12 (2) \$50 million, if the issuer is an issuer of a
13 state-voted issue, other than the Texas Higher Education
14 Coordinating Board, or \$75 million, if the issuer is the Texas
15 Higher Education Coordinating Board;

16 (3) the amount to which the Internal Revenue Code
17 limits issuers of qualified small issue bonds and enterprise zone
18 facility bonds, if the issuer is an issuer of those bonds;

19 (4) the lesser of \$15 million or 15 percent of the
20 amount set aside for reservation by issuers of qualified
21 residential rental project bonds, if the issuer is an issuer of
22 those bonds;

23 (5) the amount as prescribed in Sections 1372.033(d),
24 (e), and (f), if the issuer is an issuer authorized by Section
25 53.47, Education Code, to issue qualified student loan bonds; or

26 (6) \$50 million, if the issuer is any other issuer of
27 bonds that require an allocation.

1 SECTION 6. Sections 2306.553(a) and (b), Government Code,
2 are amended to read as follows:

3 (a) The public purpose of the corporation is to perform
4 activities and services that the corporation's board of directors
5 determines will promote the public health, safety, and welfare
6 through the provision of adequate, safe, and sanitary housing
7 primarily for individuals and families of low, very low, and
8 extremely low income and[7] for persons who are eligible for loans
9 ~~[professional educators] under the [professional educators] home~~
10 ~~loan programs [program as] provided by Sections [Section] 2306.562~~
11 ~~and~~[7, ~~for fire fighters, corrections officers, county jailers,~~
12 ~~public security officers, and peace officers under the fire~~
13 ~~fighter, law enforcement officer, and security officer home loan~~
14 ~~program as provided by Section] 2306.5621[7, and for professional~~
15 ~~nursing program faculty members under the professional nursing~~
16 ~~program faculty member home loan program as provided by Section~~
17 ~~2306.5622]. The activities and services shall include engaging in~~
18 mortgage banking activities and lending transactions and
19 acquiring, holding, selling, or leasing real or personal property.

20 (b) The corporation's primary public purpose is to
21 facilitate the provision of housing by issuing qualified 501(c)(3)
22 bonds and qualified residential rental project bonds and by making
23 affordable loans to individuals and families of low, very low, and
24 extremely low income and[7] to persons who are eligible for loans
25 under the home loan programs provided by Sections 2306.562 and
26 2306.5621 ~~[professional educators under the professional educators~~
27 ~~home loan program, to fire fighters, corrections officers, county~~

1 ~~jailers, public security officers, and peace officers under the~~
2 ~~fire fighter, law enforcement officer, and security officer home~~
3 ~~loan program, and to professional nursing program faculty members~~
4 ~~under the professional nursing program faculty member home loan~~
5 ~~program].~~ The corporation may make first lien, single family
6 purchase money mortgage loans for single family homes only to
7 individuals and families of low, very low, and extremely low income
8 if the individual's or family's household income is not more than
9 the greater of 60 percent of the median income for the state, as
10 defined by the United States Department of Housing and Urban
11 Development, or 60 percent of the area median family income,
12 adjusted for family size, as defined by that department. The
13 corporation may make loans for multifamily developments if:

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

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

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

24 (a) In this section:

25 (1) "Allied health program faculty member" means a
26 full-time member of the faculty of an undergraduate or graduate
27 allied health program of a public or private institution of higher

1 education in this state.

2 (1-a) "Graduate allied health program" means a
3 postbaccalaureate certificate or master's or doctoral degree
4 program in an allied health profession that is accredited by an
5 accrediting entity recognized by the United States Department of
6 Education.

7 (1-b) "Graduate professional nursing program" and
8 "undergraduate professional nursing program" have the meanings
9 assigned by Section 54.221, Education Code.

10 (2) "Home" means a dwelling in this state in which a
11 professional educator intends to reside as the professional
12 educator's principal residence.

13 (3) [~~(2)~~] "Mortgage lender" has the meaning assigned
14 by Section 2306.004.

15 (4) [~~(3)~~] "Professional educator" means a classroom
16 teacher, full-time paid teacher's aide, full-time librarian,
17 full-time counselor certified under Subchapter B, Chapter 21,
18 Education Code, [~~or~~] full-time school nurse, or allied health or
19 professional nursing program faculty member.

20 (5) "Professional nursing program faculty member"
21 means a full-time member of the faculty of either an undergraduate
22 or graduate professional nursing program.

23 (6) [~~(4)~~] "Program" means the professional educators
24 home loan program.

25 (7) "Undergraduate allied health program" means an
26 undergraduate degree or certificate program that:

27 (A) prepares students for licensure,

1 certification, or registration in an allied health profession; and
2 (B) is accredited by an accrediting entity
3 recognized by the United States Department of Education.

4 (b) The corporation shall establish a program to provide
5 low-interest home mortgage loans to eligible professional
6 educators whose income does not exceed the greater of:

7 (1) 115 percent of area median family income, adjusted
8 for family size; or

9 (2) the maximum amount permitted by Section 143(f),
10 Internal Revenue Code of 1986~~[, with low-interest home mortgage~~
11 ~~loans]~~.

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

14 (1) reside in this state on the application date; and

15 (2) be employed by a school district or be an allied
16 health or professional nursing program faculty member in this state
17 on the application date.

18 SECTION 8. Section 2306.5622, Government Code, is repealed.

19 SECTION 9. The Texas State Affordable Housing Corporation
20 shall aggressively pursue funding for the professional educators
21 home loan program required by Section 2306.562, Government Code, as
22 amended by this Act.

23 SECTION 10. This Act takes effect September 1, 2007.