

1-1 By: Nelson S.B. No. 1185
1-2 (In the Senate - Filed March 6, 2007; March 14, 2007, read
1-3 first time and referred to Committee on Finance; April 25, 2007,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 15, Nays 0; April 25, 2007, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1185 By: Nelson

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to certain low-interest home loan programs offered by the
1-10 state.

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

1-12 SECTION 1. Subsections (a) and (b), Section 2306.553,
1-13 Government Code, 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 and~~[]~~ for persons who are eligible for loans
1-20 ~~[professional educators]~~ under the ~~[professional educators]~~ home
1-21 loan programs ~~[program as]~~ provided by Sections ~~[Section]~~ 2306.562
1-22 and~~[, for fire fighters, corrections officers, county jailers,~~
1-23 ~~public security officers, and peace officers under the fire~~
1-24 ~~fighter, law enforcement officer, and security officer home loan~~
1-25 ~~program as provided by Section]~~ 2306.5621~~[, and for professional~~
1-26 ~~nursing program faculty members under the professional nursing~~
1-27 ~~program faculty member home loan program as provided by Section~~
1-28 ~~2306.5622]~~. The activities and services shall include engaging in
1-29 mortgage banking activities and lending transactions and
1-30 acquiring, holding, selling, or leasing real or personal property.

1-31 (b) The corporation's primary public purpose is to
1-32 facilitate the provision of housing by issuing qualified 501(c)(3)
1-33 bonds and qualified residential rental project bonds and by making
1-34 affordable loans to individuals and families of low, very low, and
1-35 extremely low income and~~[]~~ to persons who are eligible for loans
1-36 under the home loan programs provided by Sections 2306.562 and
1-37 ~~2306.5621 [professional educators under the professional educators~~
1-38 ~~home loan program, to fire fighters, corrections officers, county~~
1-39 ~~jailers, public security officers, and peace officers under the~~
1-40 ~~fire fighter, law enforcement officer, and security officer home~~
1-41 ~~loan program, and to professional nursing program faculty members~~
1-42 ~~under the professional nursing program faculty member home loan~~
1-43 ~~program]~~. The corporation may make first lien, single family
1-44 purchase money mortgage loans for single family homes only to
1-45 individuals and families of low, very low, and extremely low income
1-46 if the individual's or family's household income is not more than
1-47 the greater of 60 percent of the median income for the state, as
1-48 defined by the United States Department of Housing and Urban
1-49 Development, or 60 percent of the area median family income,
1-50 adjusted for family size, as defined by that department. The
1-51 corporation may make loans for multifamily developments if:

1-52 (1) at least 40 percent of the units in a multifamily
1-53 development are affordable to individuals and families with incomes
1-54 at or below 60 percent of the median family income, adjusted for
1-55 family size; or

1-56 (2) at least 20 percent of the units in a multifamily
1-57 development are affordable to individuals and families with incomes
1-58 at or below 50 percent of the median family income, adjusted for
1-59 family size.

1-60 SECTION 2. Subsections (a) and (b), Section 2306.562,
1-61 Government Code, are amended to read as follows:

1-62 (a) In this section:

1-63 (1) "Allied health program faculty member" means a

2-1 full-time member of the faculty of an undergraduate or graduate
2-2 allied health program of a public or private institution of higher
2-3 education in this state.

2-4 (1-a) "Graduate allied health program" means a
2-5 postbaccalaureate certificate or master's or doctoral degree
2-6 program in an allied health profession that is accredited by an
2-7 accrediting entity recognized by the United States Department of
2-8 Education.

2-9 (1-b) "Graduate professional nursing program" and
2-10 "undergraduate professional nursing program" have the meanings
2-11 assigned by Section 54.221, Education Code.

2-12 (2) "Home" means a dwelling in this state in which a
2-13 professional educator intends to reside as the professional
2-14 educator's principal residence.

2-15 (3) [~~2~~] "Mortgage lender" has the meaning assigned
2-16 by Section 2306.004.

2-17 (4) [~~3~~] "Professional educator" means a classroom
2-18 teacher, full-time paid teacher's aide, full-time librarian,
2-19 full-time counselor certified under Subchapter B, Chapter 21,
2-20 Education Code, [~~or~~] full-time school nurse, or allied health or
2-21 professional nursing program faculty member.

2-22 (5) "Professional nursing program faculty member"
2-23 means a full-time member of the faculty of either an undergraduate
2-24 or graduate professional nursing program.

2-25 (6) [~~4~~] "Program" means the professional educators
2-26 home loan program.

2-27 (7) "Undergraduate allied health program" means an
2-28 undergraduate degree or certificate program that:

2-29 (A) prepares students for licensure,
2-30 certification, or registration in an allied health profession; and

2-31 (B) is accredited by an accrediting entity
2-32 recognized by the United States Department of Education.

2-33 (b) The corporation shall establish a program to provide
2-34 low-interest home mortgage loans to eligible professional
2-35 educators whose income does not exceed the greater of:

2-36 (1) 115 percent of area median family income, adjusted
2-37 for family size; or

2-38 (2) the maximum amount permitted by Section 143(f),
2-39 Internal Revenue Code of 1986 [~~, with low-interest home mortgage~~
2-40 ~~loans~~].

2-41 SECTION 3. Sections 1372.0223 and 2306.5622, Government
2-42 Code, are repealed.

2-43 SECTION 4. The Texas State Affordable Housing Corporation
2-44 shall aggressively pursue funding for the professional educators
2-45 home loan program required by Section 2306.562, Government Code, as
2-46 amended by this Act.

2-47 SECTION 5. This Act takes effect September 1, 2007.

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