

By: Deuell

S.B. No. 1002

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the continuation and functions of the Texas State
3 Affordable Housing Corporation; providing penalties.

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

5 SECTION 1. Section 2306.5521, Government Code, is amended
6 to read as follows:

7 Sec. 2306.5521. SUNSET PROVISION. The Texas State
8 Affordable Housing Corporation is subject to Chapter 325 (Texas
9 Sunset Act). Unless continued in existence as provided by that
10 chapter, the corporation is abolished and this subchapter expires
11 September 1, 2015 [~~2009~~].

12 SECTION 2. Subsections (a) and (b), Section 2306.554,
13 Government Code, are amended to read as follows:

14 (a) The board of directors of the corporation consists of
15 seven [~~five~~] members appointed by the governor. One member must
16 represent the interests of individuals and families served by the
17 corporation's single-family mortgage loan programs, one member
18 must represent nonprofit housing organizations, and the remaining
19 five members must [~~who~~] represent one or more [~~any~~] of the following
20 areas:

21 (1) state or federal savings banks or savings and loan
22 associations;

23 (2) community banks with assets of \$200 million or
24 less;

- 1 (3) large metropolitan banks with assets of more than
2 \$1 billion;
- 3 (4) asset management companies;
- 4 (5) mortgage servicing companies;
- 5 (6) builders;
- 6 (7) real estate developers;
- 7 (8) real estate brokers;
- 8 (9) community or economic development organizations;
- 9 (10) private mortgage companies;
- 10 (11) nonprofit housing development companies;
- 11 (12) attorneys;
- 12 (13) investment bankers;
- 13 (14) underwriters;
- 14 (15) private mortgage insurance companies;
- 15 (16) appraisers;
- 16 (17) property management companies;
- 17 (18) financial advisors;
- 18 (19) nonprofit foundations;
- 19 (20) financial advisors; or
- 20 (21) any other area of expertise that the governor
21 finds necessary for the successful operation of the corporation.

22 (b) The governor shall designate a member of the
23 corporation's board of directors as the presiding officer of the
24 [corporation's] board of directors to serve in that capacity at the
25 pleasure of the governor [from the members].

26 SECTION 3. Section 2306.5541, Government Code, is amended
27 to read as follows:

1 Sec. 2306.5541. TERMS OF MEMBERS. The members of the board
2 of directors of the corporation serve staggered six-year terms,
3 with the terms of [~~one or~~] two or three members expiring on February
4 1 of each odd-numbered year.

5 SECTION 4. Subsection (b), Section 2306.5543, Government
6 Code, is amended to read as follows:

7 (b) The training program must provide the person with
8 information regarding:

9 (1) the legislation that created the corporation [~~and~~
10 ~~the corporation's board of directors~~];

11 (2) the programs, functions, rules, and budget of
12 [~~operated by~~] the corporation;

13 (3) [~~the role and functions of the corporation,~~

14 [~~(4) the rules of the corporation with an emphasis on~~
15 ~~the rules that relate to disciplinary and investigatory authority,~~

16 [~~(5) the current budget for the corporation,~~

17 [~~(6)~~] the results of the most recent formal audit of the
18 corporation;

19 (4) [~~(7)~~] the requirements of laws relating to[~~+~~

20 [~~(A) the~~] open meetings, [~~law, Chapter 551,~~

21 [~~(B) the~~] public information, [~~law, Chapter 552,~~

22 [~~(C) the~~] administrative procedure, and
23 conflicts of interest [~~law, Chapter 2001, and~~

24 [~~(D) other laws relating to public officials,~~
25 ~~including conflict-of-interest laws~~]; and

26 (5) [~~(8)~~] any applicable ethics policies adopted by
27 the corporation or the Texas Ethics Commission.

1 SECTION 5. Subsection (b), Section 2306.5545, Government
2 Code, is amended to read as follows:

3 (b) A person may not be a member of the corporation's board
4 of directors and may not be a corporation employee employed in a
5 "bona fide executive, administrative, or professional capacity,"
6 as that phrase is used for purposes of establishing an exemption to
7 the overtime provisions of the federal Fair Labor Standards Act of
8 1938 (29 U.S.C. Section 201 et seq.), and its subsequent
9 amendments, if:

10 (1) the person is an officer, employee, or paid
11 consultant of a Texas trade association in the field of banking,
12 mortgage lending, real estate, housing development, or housing
13 construction; or

14 (2) the person's spouse is an officer, manager, or paid
15 consultant of a Texas trade association in the field of banking,
16 mortgage lending, real estate, housing development, or housing
17 construction.

18 SECTION 6. Subsection (d), Section 2306.559, Government
19 Code, is amended to read as follows:

20 (d) The report must include:

21 (1) a statement of support, revenue, and expenses and
22 change in fund balances;

23 (2) a statement of functional expenses; ~~and~~

24 (3) balance sheets for all funds;

25 (4) the number, amount, and purpose of private gifts,
26 grants, donations, or other funds applied for and received;

27 (5) the number, amount, and purpose of loans provided

1 to affordable housing developers, regardless of whether the
2 corporation provides those loans directly to the developers or
3 administers the loans from another source;

4 (6) the amount and source of funds deposited into any
5 fund created by the corporation for the purpose of providing grants
6 and the number, amount, and purpose of any grants provided; and

7 (7) the total amount of annual revenue generated by
8 the corporation in excess of its expenditures.

9 SECTION 7. Subchapter Y, Chapter 2306, Government Code, is
10 amended by adding Section 2306.5671 to read as follows:

11 Sec. 2306.5671. COMPLIANCE WITH TERMS OF CERTAIN CONTRACTS
12 OR AGREEMENTS. A compliance contract or agreement between the
13 corporation and a housing sponsor that receives bond financing by
14 or through the corporation for the purpose of providing affordable
15 multifamily housing must contain a provision stating that if the
16 housing sponsor fails to comply with the terms of the contract or
17 agreement, the corporation may, as appropriate:

18 (1) assess penalties;

19 (2) remove the manager of the affected property and
20 select a new manager;

21 (3) withdraw reserve funds to make needed repairs and
22 replacements to the property; or

23 (4) appoint the corporation as a receiver to protect
24 and operate the property.

25 SECTION 8. Section 2306.568, Government Code, is amended to
26 read as follows:

27 Sec. 2306.568. RECORD OF COMPLAINTS. (a) The corporation

1 shall maintain a system to promptly and efficiently act on
2 complaints [~~file on each written complaint~~] filed with the
3 corporation. The corporation shall maintain information about
4 parties to the complaint, [~~file must include:~~

5 ~~(1) the name of the person who filed the complaint,~~

6 ~~(2) the date the complaint is received by the~~
7 ~~corporation,~~

8 ~~(3)] the subject matter of the complaint,~~ [~~+~~

9 ~~(4) the name of each person contacted in relation to~~
10 ~~the complaint,~~

11 ~~(5)] a summary of the results of the review or~~
12 ~~investigation of the complaint,~~ and its disposition [~~+~~ and

13 ~~(6) an explanation of the reason the file was closed,~~
14 ~~if the corporation closed the file without taking action other than~~
15 ~~to investigate the complaint].~~

16 (b) The corporation shall make information available
17 describing its [~~provide to the person filing the complaint and to~~
18 ~~each person who is a subject of the complaint a copy of the~~
19 ~~corporation's policies and] procedures for [~~relating to~~] complaint
20 investigation and resolution.~~

21 (c) The corporation [~~+~~ ~~at least quarterly until final~~
22 ~~disposition of the complaint,~~] shall periodically notify the
23 [~~person filing the~~] complaint parties [~~and each person who is a~~
24 ~~subject of the complaint~~] of the status of the complaint until final
25 disposition [~~investigation unless the notice would jeopardize an~~
26 ~~undercover investigation].~~

27 SECTION 9. Section 2306.569, Government Code, is amended to

1 read as follows:

2 Sec. 2306.569. EFFECTIVE USE OF TECHNOLOGY. The
3 corporation's board of directors shall ~~[develop and]~~ implement a
4 policy requiring the ~~[president of the]~~ corporation ~~[and~~
5 ~~corporation employees]~~ to use ~~[research and propose]~~ appropriate
6 technological solutions to improve the corporation's ability to
7 perform its functions. The policy ~~[technological solutions]~~ must~~+~~

8 ~~[(1)]~~ ensure that the public is able to ~~[easily find~~
9 ~~information about the corporation on the Internet;~~

10 ~~[(2)]~~ ensure that persons who want to use the
11 ~~corporation's services are able to:~~

12 ~~[(A)]~~ interact with the corporation on ~~[through]~~
13 the Internet~~;~~ ~~and~~

14 ~~[(B)]~~ access any service that can be provided
15 ~~effectively through the Internet; and~~

16 ~~[(3)]~~ be cost-effective and developed through the
17 ~~corporation's planning processes].~~

18 SECTION 10. Subchapter Y, Chapter 2306, Government Code, is
19 amended by adding Section 2306.5691 to read as follows:

20 Sec. 2306.5691. INFORMATIONAL WEBSITE. The corporation
21 shall develop and maintain a publicly accessible Internet website
22 that:

23 (1) provides the public with information regarding:

24 (A) terminology associated with mortgages and
25 other home-secured loans;

26 (B) positive and negative aspects of different
27 types of mortgage loans and other home-secured loans; and

1 (C) predatory lending practices; and

2 (2) allows a person who resides in this state to enter
3 the person's specific financial information into the website and
4 receive information relating to:

5 (A) mortgage rates that the person is eligible to
6 receive; and

7 (B) state and local home loan programs and other
8 related resources that are available to the person.

9 SECTION 11. Section 2306.5671, Government Code, as added by
10 this Act, does not affect the terms of a compliance contract or
11 agreement entered into before the effective date of this Act,
12 except that if the contract or agreement is renewed, modified, or
13 extended on or after the effective date of this Act, Section
14 2306.5671 applies to the contract or agreement beginning on the
15 date of renewal, modification, or extension.

16 SECTION 12. (a) Promptly after this Act takes effect, the
17 governor shall appoint two additional members to the board of
18 directors of the Texas State Affordable Housing Corporation. In
19 appointing those members, the governor shall appoint one person to
20 a term expiring February 1, 2011, and one to a term expiring
21 February 1, 2013. As provided by Subsection (a), Section 2306.554,
22 Government Code, as amended by this Act:

23 (1) one member appointed under this subsection must
24 represent the interests of individuals and families served by the
25 Texas State Affordable Housing Corporation's single-family
26 mortgage loan programs, unless the governor determines that a
27 current member of the board of directors represents those persons;

1 and

2 (2) one member appointed under this subsection must
3 represent nonprofit housing organizations, unless the governor
4 determines that a current member of the board of directors
5 represents those organizations.

6 (b) Until all appointees to the board of directors of the
7 Texas State Affordable Housing Corporation have taken office, a
8 quorum of the board is a majority of the number of members who are
9 qualified.

10 SECTION 13. This Act takes effect September 1, 2009.