

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 26, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2308 by Davis, Yvonne (Relating to the establishment of the Texas secure loan pilot program by the Texas Department of Housing and Community Affairs.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2308, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from Community Affairs Fed Fd 127
2010	(\$1,070,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

Fiscal Analysis

The bill would amend the Government Code relating to the establishment of the Texas Secure Loan Pilot Program by the Texas Department of Housing and Community Affairs (TDHCA). The bill would require TDHCA to establish the Texas Secure Loan Pilot Program, which would serve only low and very low income households and include provisions not found in traditional mortgage loans.

The bill would take effect September 1, 2009.

Methodology

To develop the cost estimate, TDHCA made the following assumptions: only 10 loans would be made; based on TDHCA First-Time Homebuyer loans to low income households, TDHCA assumes the average loan amount would be \$107,000.

Based on these assumptions, TDHCA assumes the following one-time cost of loan issuances in fiscal year 2010 would total \$1,070,000 (10 loans X \$107,000 = \$1,070,000). The agency also assumes it would use funds from the Neighborhood Stabilization Program to fund this program, but note that use of these funds would restrict the program to the purchase of foreclosed properties.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs, 352 Bond Review Board

LBB Staff: JOB, DB, MW, NV, ER