

Amend HB 2660 (house committee report) as follows:

(1) Strike SECTIONS 5, 6, 7, 10, 12, and 13 of the bill.

(2) On page 9, strike lines 1 through 5 and substitute the following:

(1) Section 1372.023(a);

(2) Sections 2306.142 and 2306.143; and

(3) Subchapter MM, Chapter 2306.

(3) Strike SECTION 16 of the bill.

(4) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 1372.023, Government Code, is amended by adding Subsection (d) to read as follows:

(d) The Texas Department of Housing and Community Affairs may not issue qualified mortgage bonds after September 1, 2011, except as necessary to complete its activity under the New Issue Bond Program.

SECTION _____. Section 1372.025(b), Government Code, is amended to read as follows:

(b) Subsection (a) does not apply to:

(1) [~~qualified mortgage bonds or~~] qualified residential rental project bonds made available exclusively to the Texas Department of Housing and Community Affairs under Section 1372.023; or

(2) qualified mortgage bonds made available exclusively to the Texas State Affordable Housing Corporation under Sections 1372.0221, [~~and~~] 1372.0222, and 1372.02221.

SECTION _____. Subchapter Y, Chapter 2306, Government Code, is amended by adding Section 2306.5622 to read as follows:

Sec. 2306.5622. TEXAS FIRST-TIME HOMEBUYER PROGRAM. (a)

In this section:

(1) "First-time homebuyer" means a person who has not owned a home during the three years preceding the date on which an application under this section is filed.

(2) "Home" means a dwelling in this state in which a first-time homebuyer intends to reside as the homebuyer's principal residence.

(3) "Program" means the Texas First-Time Homebuyer

Program.

(b) The Texas First-Time Homebuyer Program shall facilitate the origination of single-family mortgage loans for eligible first-time homebuyers.

(c) The program may include down payment and closing cost assistance.

(d) The corporation shall administer the program.

(e) The board of directors of the corporation shall adopt rules governing:

(1) the administration of the program;

(2) the making of loans under the program;

(3) the criteria for approving participating mortgage lenders;

(4) the use of insurance on the loans and the homes financed under the program, as considered appropriate by the corporation's board to provide additional security for the loans;

(5) the verification of occupancy of the home by the homebuyer as the homebuyer's principal residence; and

(6) the terms of any contract made with any mortgage lender for processing, originating, servicing, or administering the loans.

(f) To be eligible for a mortgage loan under this section, a homebuyer must:

(1) qualify as a first-time homebuyer under this section;

(2) have an income of not more than 115 percent of area median family income or 140 percent of area median family income in targeted areas; and

(3) meet any additional requirements or limitations prescribed by the corporation.

(g) To be eligible for a loan under this section to assist a homebuyer with down payment and closing costs, a homebuyer must:

(1) qualify as a first-time homebuyer under this section;

(2) have an income of not more than 80 percent of area median family income; and

(3) meet any additional requirements or limitations

prescribed by the corporation.

(h) The corporation may contract with other agencies of the state or with private entities to determine whether applicants qualify as first-time homebuyers under this section or otherwise to administer all or part of this section.

(i) The board of directors of the corporation may set and collect from each applicant any fees that board considers reasonable and necessary to cover the expenses of administering the program.

(j) The corporation shall ensure that a loan under this section is structured in a way that complies with any requirements associated with the source of the funds used for the loan.

(k) In addition to funds set aside for the program under Section 1372.0223(1), the corporation may solicit and accept funding for the program from gifts and grants for the purposes of this section.

SECTION _____. Section 2306.591(b), Government Code, is amended to read as follows:

(b) An owner of a manufactured home is not eligible to participate in a grant loan program offered by the department [~~including the single-family mortgage revenue bond program under Section 2306.142,~~] unless the owner complies with Subsection (a).

SECTION _____. (a) As soon as practicable after the effective date of this Act, the Texas Department of Housing and Community Affairs and the Texas State Affordable Housing Corporation shall develop a transition plan for transferring the functions performed by the department under Subchapter MM, Chapter 2306, Government Code, to the corporation. The transition plan must include a timetable with specific steps and deadlines needed to complete the transfer.

(b) In accordance with the transition plan developed by the Texas Department of Housing and Community Affairs and the Texas State Affordable Housing Corporation under Subsection (a) of this section, on November 1, 2011:

(1) all functions and activities relating to Subchapter MM, Chapter 2306, Government Code, performed by the Texas Department of Housing and Community Affairs immediately

before that date are transferred to the Texas State Affordable Housing Corporation under Section 2306.5622, Government Code, as added by this Act;

(2) a rule or form adopted by the executive director of the Texas Department of Housing and Community Affairs that relates to Subchapter MM, Chapter 2306, Government Code, is a rule or form of the Texas State Affordable Housing Corporation and remains in effect until amended or replaced by the corporation;

(3) a reference in law to or an administrative rule of the Texas Department of Housing and Community Affairs that relates to Subchapter MM, Chapter 2306, Government Code, means the Texas State Affordable Housing Corporation;

(4) a loan issued by the Texas Department of Housing and Community Affairs under Subchapter MM, Chapter 2306, Government Code, or an application for a loan under that subchapter pending before the department on the effective date of this Act is transferred without change in status to the Texas State Affordable Housing Corporation, and the corporation assumes, as appropriate and without a change in status, the position of the department in relation to that loan or application;

(5) any employee of the Texas Department of Housing and Community Affairs who is primarily involved in administering Subchapter MM, Chapter 2306, Government Code, becomes an employee of the Texas State Affordable Housing Corporation;

(6) all money, contracts, leases, property, and obligations of the Texas Department of Housing and Community Affairs that are related to Subchapter MM, Chapter 2306, Government Code, are transferred to the Texas State Affordable Housing Corporation;

(7) all property that is in the custody of the Texas Department of Housing and Community Affairs and related to Subchapter MM, Chapter 2306, Government Code, is transferred to the Texas State Affordable Housing Corporation; and

(8) the unexpended and unobligated balance of any money that is appropriated by the legislature for the Texas Department of Housing and Community Affairs and related to Subchapter MM, Chapter 2306, Government Code, is transferred to the

Texas State Affordable Housing Corporation.

(c) Before November 1, 2011, the Texas Department of Housing and Community Affairs may agree with the Texas State Affordable Housing Corporation to transfer any property of the department to the corporation to implement the transfer required by this Act.

(d) In the period beginning on the effective date of this Act and ending on November 1, 2011, the Texas Department of Housing and Community Affairs shall continue to perform functions and activities under Subchapter MM, Chapter 2306, Government Code, as if that subchapter had not been repealed by this Act, and the former law is continued in effect for that purpose.

SECTION _____. This Act takes effect September 1, 2011.