

BILL ANALYSIS

S.B. 1553
By: Lucio
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas State Affordable Housing Corporation (TSAHC) is a nonprofit corporation that was created by the 74th Legislature in 1995 to help meet the housing needs of low-income residents in Texas. TSAHC operates to provide single and multifamily home loans to low-income individuals in the state. The 77th Legislature created the Teachers Home Loan Program and directed TSAHC to assist eligible teachers with low-interest home mortgage loans. In 2003, the 78th Legislature allowed full-time public school teacher aides, librarians, counselors, and nurses to be eligible for TSAHC's low-interest home loans. In subsequent legislative sessions, further changes have been made to TSAHC's enabling statute to allow nurses, allied health program faculty, firefighters, police officers, correction officers, and others, to be assisted by the home low-interest loans administered by TSAHC.

S.B.1553 allows veterans to be among the individuals who may apply for TSAHC's low-interest home mortgage loans.

S.B.1553 amends current law relating to the Homes for Texas Heroes home loan program.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of directors of the Texas State Affordable Housing Corporation in SECTION 5 (Section 2306.5621, Government Code) of this bill.

ANALYSIS

SECTION 1. Amends Section 1372.025(b), Government Code, as follows:

(b) Provides that Subsection (a) (relating to certain provisions if a type of bond listed in Section 1372.022(a) does not qualify on January 2 of any year for treatment as a tax-exempt obligation under the Internal Revenue Code) does not apply to 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 (Dedication of Portions of State Ceiling to Texas Department of Housing and Community Affairs) or the Texas State Affordable Housing Corporation (TSAHC) under Section 1372.0223(1) (relating to providing that out of that portion of the state ceiling that is available for certain issuers, 10 percent is available exclusively to the Texas State Affordable Housing Corporation for the purpose of issuing qualified mortgage bonds), rather than Sections 1372.0221 (Dedication of Portion of State Ceiling for Professional Educators Home Loan Program) and 1372.0222 (Dedication of Portion of State Ceiling for Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program).

SECTION 2. Amends Sections 2306.553(a) and (b), Government Code, as follows:

(a) Provides that the public purpose of TSAHC is to perform activities and services that TSAHC's board of directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing primarily for individuals and families of low, very low, and extremely low income and for persons who are eligible for loans under the home loan program, rather than programs provided by Section 2306.5621, rather than Sections 2306.562 (Professional Educators Home Loan Program [expired]) and 2306.5621.

(b) Makes conforming changes.

SECTION 3. Amends the heading to Section 2306.5621, Government Code, to read as follows:

Sec. 2306.5621. HOMES FOR TEXAS HEROES HOME LOAN PROGRAM.

SECTION 4. Amends Section 2306.5621(a), Government Code, by amending Subdivisions (2) and (5) to redefine "home" and "program" and adding Subdivisions (10) through (16) to define "veteran," "allied health program faculty member," "graduate allied health program," "graduate professional nursing program," "professional educator," "professional nursing program faculty member," and "undergraduate allied health program."

SECTION 5. Amends Section 2306.5621, Government Code, by amending Subsections (b), (c), (d), (f), (h), and (h-1) and adding Subsection (d-1), as follows:

(b) Requires TSAHC to establish a program to provide professional educators and veterans, among other eligible persons, with low-interest home mortgage loans.

(c) Requires the person, to be eligible for a loan under this section, at the time a person files an application for the loan, to:

(1) be a:

(A) Makes a conforming change; or

(B) professional educator who is employed by a school district or is an allied health or professional nursing program faculty member in this state; and

(2)-(3) Makes no changes to these subdivisions.

(d) Makes conforming and nonsubstantive changes.

(d-1) Authorizes TSAHC to contract with the Texas Veterans Commission to provide other housing assistance to veterans receiving loans under this section.

(f) Requires the board of directors of the corporation to adopt rules governing the verification of occupancy of the home by certain professionals, including professional educators and veterans, defined as emergency medical services personnel as the borrower's principle residence.

(h) Authorizes TSAHC, in addition to funds set aside for the program under Section 1372.0223(1), rather than Section 1372.0222, to solicit and accept funding for the program from certain sources.

(h-1) Authorizes the corporation, to fund home mortgage loans for eligible fire fighters, corrections officers, county jailers, public security officers, peace officers, emergency medical services personnel, professional educators, and veterans under this section, to use any proceeds received from the sale of bonds, notes, or other obligations issued under the home loan program provided by this section, regardless of any amendments to the eligibility standards for loans made under the program and regardless of when the corporation received the proceeds from those bonds, notes, or other obligations issued under the program.

SECTION 6. Repealers: Sections 1372.0221 (Dedication of Portion of State Ceiling for Professional Educators Home Loan Program), 1372.0222 (Dedication of Portion of State Ceiling for Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program), and 2306.5621(i) (relating to providing that this section expires September 1, 2013), Government Code.

SECTION 7. Effective date: upon passage or September 1, 2013.

EFFECTIVE DATE

September 1, 2013.