

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1690
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Department of Housing and Community Affairs (TDHCA) offers numerous programs including the HOMEbuyer Assistance Program, the Texas Bootstrap Loan Program, the My First Texas Home Program, and several other programs designed for low-income families. However, none of these programs are specifically targeted to manufactured housing. C.S.S.B. 1690 establishes a down-payment assistance program by the manufactured housing division of TDHCA for the purchase of manufactured homes by low-income individuals and families.

C.S.S.B. 1690 amends current law relating to the establishment of a down payment assistance program by the manufactured housing division of the Texas Department of Housing and Community Affairs for the purchase of manufactured homes by low-income individuals and families.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Manufactured Housing Board within the Texas Department of Housing and Community Affairs in SECTION 1 (Section 1201.063, Occupations Code) of this bill.

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 1201, Occupations Code, by adding Section 1201.063, as follows:

Sec. 1201.063. DOWN PAYMENT ASSISTANCE PROGRAM. (a) Requires the Texas Department of Housing and Community Affairs (TDHCA) to establish a program providing down payment assistance to eligible persons for the purchase of manufactured homes from a retailer licensed under this chapter or manufactured homes that have been converted to and are being sold as real property.

(b) Requires a person, to be eligible for financial assistance under this section, to:

(1) be an individual or family earning not more than 80 percent of the area median income or applicable federal poverty line as determined under Section 2306.123 (Area Median Income) or 2306.1231 (Federal Poverty Line), Government Code; and

(2) except as provided by the Manufactured Housing Board within the Texas Department of Housing and Community Affairs (board) rule, continuously occupy the purchased manufactured home as the person's primary residence for at least the two-year period following the date of purchase of the home.

(c) Prohibits the financial assistance, for each manufactured home purchased with assistance under this section, from exceeding the lesser of \$2,000; 50 percent of

any down payment required by the primary lender; or five percent of the total purchase price of the manufactured home and the real property on which a manufactured home has been installed, if a real property election has been perfected under Section 1201.222(a) (relating to treating a manufactured home as real property only if certain criteria are met).

(d) Requires that financial assistance provided under this section be provided in connection with a primary loan that is from a lender licensed to make consumer loans in this state or a federally insured depository institution if the loan does not involve the use of real property as security, or complies with the applicable requirements of state and federal law if the loan involves the use of real property as security.

(e) Requires the board to adopt rules governing:

(1) the administration of the program;

(2) the issuance of financial assistance under the program;

(3) creditworthiness, purchase price, and other eligibility standards;

(4) exceptions to the residency requirement under Subsection (b)(2), including death, loss of employment, or other exigent circumstances;

(5) contractual enforcement of the residency requirement under Subsection (b)(2); and

(6) the structure of the financial assistance provided under this section, which is authorized to include secured or unsecured deferred forgivable loans.

(f) Authorizes TDHCA to fund the program with money appropriated to TDHCA for that purpose and money from the housing trust fund established under Section 2306.201 (Housing Trust Fund), Government Code, that is made available to TDHCA for that purpose.

(g) Authorizes TDHCA to reserve for payment of administrative expenses not more than five percent of money received for the program under this section.

SECTION 2. Requires TDHCA to adopt the rules required by Section 1201.063(e), Occupations Code, as added by this Act, not later than December 1, 2013.

SECTION 3. Effective date: September 1, 2013.