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S.B. No. 1553

A BILL TO BE ENTITLED

AN ACT

relating to the Homes for Texas Heroes home loan program.

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

SECTION 1. Subsection (b), Section 1372.025, Government Code, is amended to read as follows:

(b) Subsection (a) 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 or the Texas State Affordable Housing Corporation under Section 1372.0223(1) [~~Sections 1372.0221 and 1372.0222~~].

SECTION 2. Subsections (a) and (b), Section 2306.553, Government Code, are amended to read as follows:

(a) The public purpose of the corporation is to perform activities and services that the corporation'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 [~~programs~~] provided by Section [~~Sections 2306.562 and~~] 2306.5621. The activities and services shall include engaging in mortgage banking activities and lending transactions and acquiring, holding, selling, or leasing real or personal property.

1 (b) The corporation's primary public purpose is to
2 facilitate the provision of housing by issuing qualified 501(c)(3)
3 bonds and qualified residential rental project bonds and by making
4 affordable loans to individuals and families of low, very low, and
5 extremely low income and to persons who are eligible for loans under
6 the home loan program [~~programs~~] provided by Section [~~Sections~~
7 ~~2306.562 and~~] 2306.5621. The corporation may make first lien,
8 single family purchase money mortgage loans for single family homes
9 only to individuals and families of low, very low, and extremely low
10 income if the individual's or family's household income is not more
11 than the greater of 60 percent of the median income for the state,
12 as defined by the United States Department of Housing and Urban
13 Development, or 60 percent of the area median family income,
14 adjusted for family size, as defined by that department. The
15 corporation may make loans for multifamily developments if:

16 (1) at least 40 percent of the units in a multifamily
17 development are affordable to individuals and families with incomes
18 at or below 60 percent of the median family income, adjusted for
19 family size; or

20 (2) at least 20 percent of the units in a multifamily
21 development are affordable to individuals and families with incomes
22 at or below 50 percent of the median family income, adjusted for
23 family size.

24 SECTION 3. The heading to Section 2306.5621, Government
25 Code, is amended to read as follows:

26 Sec. 2306.5621. HOMES FOR TEXAS HEROES [~~FIRE FIGHTER, LAW~~
27 ~~ENFORCEMENT OR SECURITY OFFICER, AND EMERGENCY MEDICAL SERVICES~~

1 ~~PERSONNEL]~~ HOME LOAN PROGRAM.

2 SECTION 4. Subsection (a), Section 2306.5621, Government
3 Code, is amended by amending Subdivisions (2) and (5) and adding
4 Subdivisions (10) through (16) to read as follows:

5 (2) "Home" means a dwelling in this state in which a
6 fire fighter, corrections officer, county jailer, public security
7 officer, peace officer, professional educator, veteran, or person
8 defined as emergency medical services personnel under this section
9 intends to reside as the borrower's principal residence.

10 (5) "Program" means the Homes for Texas Heroes [~~fire~~
11 ~~fighter, law enforcement or security officer, and emergency medical~~
12 ~~services personnel]~~ home loan program.

13 (10) "Veteran" has the meaning assigned by Section
14 161.001, Natural Resources Code.

15 (11) "Allied health program faculty member" means a
16 full-time member of the faculty of an undergraduate or graduate
17 allied health program of a public or private institution of higher
18 education in this state.

19 (12) "Graduate allied health program" means a
20 postbaccalaureate certificate or master's or doctoral degree
21 program in an allied health profession that is accredited by an
22 accrediting entity recognized by the United States Department of
23 Education.

24 (13) "Graduate professional nursing program" and
25 "undergraduate professional nursing program" have the meanings
26 assigned by Section 54.355, Education Code.

27 (14) "Professional educator" means a classroom

1 teacher, full-time paid teacher's aide, full-time librarian,
2 full-time counselor certified under Subchapter B, Chapter 21,
3 Education Code, full-time school nurse, or allied health or
4 professional nursing program faculty member.

5 (15) "Professional nursing program faculty member"
6 means a full-time member of the faculty of either an undergraduate
7 or graduate professional nursing program.

8 (16) "Undergraduate allied health program" means an
9 undergraduate degree or certificate program that:

10 (A) prepares students for licensure,
11 certification, or registration in an allied health profession; and

12 (B) is accredited by an accrediting entity
13 recognized by the United States Department of Education.

14 SECTION 5. Section 2306.5621, Government Code, is amended
15 by amending Subsections (b), (c), (d), (f), (h), and (h-1) and
16 adding Subsection (d-1) to read as follows:

17 (b) The corporation shall establish a program to provide
18 eligible fire fighters, corrections officers, county jailers,
19 public security officers, peace officers, ~~and~~ emergency medical
20 services personnel, professional educators, and veterans with
21 low-interest home mortgage loans.

22 (c) To be eligible for a loan under this section, at the time
23 a person files an application for the loan, the person must:

24 (1) be a:

25 (A) fire fighter, corrections officer, county
26 jailer, public security officer, peace officer, veteran, or person
27 defined as emergency medical services personnel under this section;

1 or

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

5 (2) reside in this state; and

6 (3) have an income of not more than 115 percent of area
7 median family income, adjusted for family size, or the maximum
8 amount permitted by Section 143(f), Internal Revenue Code of 1986,
9 whichever is greater.

10 (d) The corporation may contract with other agencies of the
11 state or with private entities to determine whether applicants
12 qualify as fire fighters, corrections officers, county jailers,
13 public security officers, peace officers, [~~ex~~] emergency medical
14 services personnel, professional educators, or veterans under this
15 section or otherwise to administer all or part of this section.

16 (d-1) The corporation may contract with the Texas Veterans
17 Commission to provide other housing assistance to veterans
18 receiving loans under this section.

19 (f) The board of directors of the corporation shall adopt
20 rules governing:

21 (1) the administration of the program;

22 (2) the making of loans under the program;

23 (3) the criteria for approving mortgage lenders;

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

27 (5) the verification of occupancy of the home by the

1 fire fighter, corrections officer, county jailer, public security
2 officer, peace officer, professional educator, veteran, or person
3 defined as emergency medical services personnel as the borrower's
4 principal residence; and

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

8 (h) In addition to funds set aside for the program under
9 Section 1372.0223(1) [~~1372.0222~~], the corporation may solicit and
10 accept funding for the program from the following sources:

11 (1) gifts and grants for the purposes of this section;

12 (2) available money in the housing trust fund
13 established under Section 2306.201, to the extent available to the
14 corporation;

15 (3) federal block grants that may be used for the
16 purposes of this section, to the extent available to the
17 corporation;

18 (4) other state or federal programs that provide money
19 that may be used for the purposes of this section; and

20 (5) amounts received by the corporation in repayment
21 of loans made under this section.

22 (h-1) To fund home mortgage loans for eligible fire
23 fighters, corrections officers, county jailers, public security
24 officers, peace officers, [~~and~~] emergency medical services
25 personnel, professional educators, and veterans under this
26 section, the corporation may use any proceeds received from the
27 sale of bonds, notes, or other obligations issued under the home

1 loan program provided by this section, regardless of any amendments
2 to the eligibility standards for loans made under the program and
3 regardless of when the corporation received the proceeds from those
4 bonds, notes, or other obligations issued under the program.

5 SECTION 6. Sections 1372.0221, 1372.0222, and Subsection
6 (i), Section 2306.5621, Government Code, are repealed.

7 SECTION 7. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2013.