

BILL ANALYSIS

C.S.H.B. 1428
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties explain that the homebuyer assistance program administered by the Texas Department of Housing and Community Affairs (TDHCA) provides low-income families, including many Texans with disabilities, with financial assistance to help them buy a home. The parties, however, have expressed concerns regarding the program funding being conditional on the closing of the home purchase and TDHCA having received all closing documents. One major concern involves recent examples of applicants who spent years and thousands of dollars navigating the home-buying process but then had to cancel the contract because the funding was no longer available. C.S.H.B. 1428 seeks to amend the applicable law to address this concern.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 1428 amends the Government Code to prohibit the Texas Department of Housing and Community Affairs (TDHCA), in administering federal housing funds provided under the Cranston-Gonzalez National Affordable Housing Act that are set aside for persons with disabilities and allocated through the homebuyer assistance program, from requiring a person to enter into a contract to purchase a home before applying for or reserving those set-aside funds. The bill requires TDHCA by rule to implement a preapproval process under which a person may establish eligibility to receive the funds before the funds are made available and under which such person has an adequate period of at least 90 days in which to locate a home for purchase using the funds. The bill requires TDHCA to adopt rules not later than December 31, 2015, and makes its provisions applicable to an application for housing funds that are administered through the homebuyer assistance program submitted to TDHCA on or after the effective date of those adopted rules.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1428 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial

differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 2306.111, Government Code, is amended by adding Subsection (c-3) to read as follows:

(c-3) In administering funds that are set aside for persons with disabilities under Subsection (c)(2) and allocated through the homebuyer assistance program, the department:

(1) may not require a person to enter into a contract to purchase a home before applying for or receiving funds allocated through the program; and

(2) by rule shall implement a preapproval process under which a person:

(A) before funds allocated through the program are made available, may establish eligibility to receive those funds; and

(B) has an adequate period of at least 90 days in which to locate a home for purchase using funds made available under the program.

SECTION 2. The Texas Department of Housing and Community Affairs shall adopt rules under Section 2306.111(c-3), Government Code, as added by this Act, not later than December 31, 2015.

SECTION 3. The change in law made by this Act applies only to an application for housing funds that are administered through the homebuyer assistance program submitted to the Texas Department of Housing and Community Affairs on or after the date the rules adopted by the department under Section 2306.111(c-3), Government Code, as added by this Act, take effect. An application for housing funds submitted before the date the rules take effect is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2306.111, Government Code, is amended by adding Subsection (c-3) to read as follows:

(c-3) In administering funds that are set aside for persons with disabilities under Subsection (c)(2) and allocated through the homebuyer assistance program, the department:

(1) may not require a person to enter into a contract to purchase a home before applying for or reserving funds allocated through the program; and

(2) by rule shall implement a preapproval process under which a person:

(A) before funds allocated through the program are made available, may establish eligibility to receive those funds; and

(B) has an adequate period of at least 90 days in which to locate a home for purchase using funds made available under the program.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.