

BILL ANALYSIS

Senate Research Center
83R4359 AJZ-D

S.B. 286
By: Hinojosa
Intergovernmental Relations
3/26/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Professional Educators Home Loan Program was originally created in 2001, by the 77th Legislature, for full-time public school teachers (H.B. 3451 by Gallego). The 78th Legislature expanded the program to include full-time public school teacher aides, librarians, counselors and nurses (S.B. 284 by Lucio). Further changes were made during the 80th Legislature, which expanded the program to include nursing and allied health program faculty (S.B. 1185 by Nelson). Senator Nelson's bill combined the previously created Professional Nursing Faculty Member home loan program into the Professional Educators home loan program. This program expired in September 2012.

The Fire Fighter and Police Officer Home Loan Program was originally created in 2003 by the 78th Legislature, for firefighters and police officers (H.B. 1247 by Ritter). In 2005, during the 79th Legislature, the program was expanded to include corrections officers, county jailers, and public security officers and the program name was changed to the Fire Fighter and Law Enforcement or Security Officer Home Loan Program (H.B. 1007 by Ritter). During the 80th Legislature, the program was expanded to include emergency medical services personnel and the program name was changed to the Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program. (H.B. 618 by Bonnen).

This bill adds professions previously included in the Professional Educators Home Loan Program to the Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program and changes the program name to the Homes for Texas Heroes Home Loan Program. The bill also eliminates the end date of the program and ties the reauthorization of the program to the Sunset date.

As proposed, S.B. 286 amends current law relating to a home loan program operated by the Texas State Affordable Housing Corporation.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the board of directors of the Texas State Affordable Housing Corporation is modified in Section 5 (Section 2306.5621, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

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

(b) Provides that Subsection (a) (relating to qualified mortgage bonds or qualified residential rental project bonds made available exclusively to the Texas Department of Housing and Community Affairs) 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 (TDHCA) 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 the percentage available exclusively to the Texas State Affordable Housing Corporation), 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 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 provided by Section 2306.5621 (Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program), rather than Sections 2306.562 (expired September 1, 2012) and 2306.5621.

(b) Provides that the corporation's primary public purpose is to facilitate the provision of housing by issuing qualified 501(c)(3) bonds and qualified residential rental project bonds and by making affordable loans to individuals and families of low, very low, and extremely low income and to persons who are eligible for loans under the home loan program provided by Section 2306.5621, rather than Sections 2306.562 and 2306.5621. Makes a nonsubstantive change.

SECTION 3. Amends the heading of 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), (11), (12), (13), (14), and (15) to define "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 Sections 2306.5621(b), (c), (d), (f), (h), and (h-1), Government Code, as follows:

(b) Adds professional educators to a list of certain professions for which TSAHC is required to establish a program to provide low-interest home mortgage loans (program). Makes a nonsubstantive change.

(c) Requires a person, to be eligible for a loan under this section, at the time a person files an application for the loan, in addition to certain other requirements, to be a professional educator who is employed by a school district or is an allied health or professional nursing program faculty member in this state. Makes nonsubstantive changes.

(d) Authorizes TSAHC to contract with other agencies of the state or with private entities to determine whether applicants qualify as professional educators, in addition to certain other professions, under this section or otherwise to administer all or part of this section. Makes a nonsubstantive change.

(f) Requires the board of directors of TSAHC by rule to adopt rules governing certain matters regarding the program, including the verification of occupancy of the home by the fire fighter, corrections officer, county jailer, public security officer, peace officer, professional educator, or person defined as emergency medical services personnel as the borrower's principal residence.

(h) Provides that, in addition to funds set aside for the program under Section 1372.0223 (Dedication of Portions of State Ceiling to Certain Issuers of Qualified Mortgage Bonds), rather than Section 1372.0222 (Dedication of Portion of State Ceiling for Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program), TSAHC is authorized to solicit and accept funding for the program from certain sources.

(h-1) Authorizes TSAHC to fund home mortgage loans for eligible professional educators, in addition to certain other professions, under this section and authorizes TSAHC 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 TSAHC 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 the expiration of this section on September 1, 2014), Government Code.

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