

BILL ANALYSIS

Senate Research Center
80R9448 CAS-D

S.B. 1185
By: Nelson
Finance
3/27/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The legislature established professional educator and nursing faculty home loan programs as a way to acknowledge the personal sacrifices made by persons who enter these professions and make it easier for them to become homeowners. Home loan programs for professional educators and nursing faculty are held separately. Tying these programs together may bring increased efficiency. Currently, allied health professionals are not included in the existing home loan program.

Additionally, these home loan programs, administered by the Texas State Affordable Housing Corporation (corporation), are mandated to only consider applications from individuals at or below 115 percent of the area median family income. The federal government recently authorized an increase of the income limits for persons applying for home loans under these programs in areas affected by Hurricane Rita, and may make similar allowances in other areas. Statutory change is required to authorize the corporation to do the same.

As proposed, S.B. 1185 creates a home loan program for allied health professionals in combination with the home loan programs for professional educators and nursing faculty. This bill also authorizes the corporation, by rule, to raise income limits for the home loan program if authorized by the federal government.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1372.0221, Government Code, by requiring that \$35 million, rather than \$25 million, be allotted each year out of the portion of the state ceiling available exclusively to issuers of qualified mortgage bonds, and for that allotment to be made available exclusively to the Texas State Affordable Housing Corporation (corporation) for the purpose of issuing qualified mortgage bonds in connection with the professional educators home loan program established under Section 2306.562, Government Code

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

(a) Provides that the corporation is to provide adequate, safe, and sanitary housing for persons who are eligible for loans, rather than professional educators, under certain home loan programs applicable to individuals in certain professions, rather than the professional educators home loan program.

(b) Provides that the corporation's primary public purpose is to facilitate the provision of housing to persons who are eligible for loans under programs provided by Sections 2306.562 (Professional Educators Home Loan Program) and 2306.5621 (Fire Fighter and Law Enforcement or Security Officer Home Loan Program), Government Code, rather than certain programs designed to provide home loans to individuals in certain professions.

SECTION 3. Amends Sections 2306.562(a) and (b), Government Code, as follows:

(a) Defines "allied health program faculty member," "graduate allied health program," "graduate professional nursing program," "professional nursing program faculty member," and "undergraduate allied health program." Redefines "professional educator." Makes conforming changes.

(b) Requires the corporation to establish a program to provide low-interest home mortgage loans to eligible professional educators whose income does not exceed the greater of 115 percent of area median family income, adjusted for family size, or the maximum amount permitted by Section 143f (Income Requirements), Internal Revenue Code of 1986. Makes a conforming change.

SECTION 4. Repealer: (1) Section 1372.0223 (Dedication of Portion of State Ceiling for Professional Nursing Program Faculty Member Home Loan Program), Government Code.

(2) Section 2306.5622 (Professional Nursing Program Faculty Member Home Loan Program), Government Code.

SECTION 5. Requires the corporation to aggressively pursue funding for the professional educators home loan program required by Section 2306.562, as amended by this Act.

SECTION 6. Effective date: September 1, 2007.