



Texas Department of Housing and Community Affairs
Housing Trust Fund
Fiscal Year 2018-2019 Texas Bootstrap Loan Program
Notice of Funding Availability
August 1, 2018



Summary

The Texas Department of Housing and Community Affairs (TDHCA), through its Single Family Operations and Services Division, announces the availability of \$6,145,444.65 from the State of Texas Housing Trust Fund (HTF) for Fiscal Years (FY) 2018 and 2019 of the Texas Bootstrap Loan Program (Program). The Program is a self-help housing construction program that provides very low-income households and persons with special needs (Owner- Builders) an opportunity to purchase or refinance real property on which to construct new housing or repair existing housing through sweat equity.

On December 4, 2017, \$3,145,444.65 of the \$6,145,444.65 was available for online reservation and access for FY 2018. **On Monday August 1, 2018, the remaining \$3,000,000 of the \$6,145,444.65 will be available for online reservation for FY 2019 (and accessible by Program Participants by the start of FY 2019, which is September 4, 2018).** Additional funds may be added to this NOFA from loan repayments, interest earnings and cancelled reservations from prior years.

Requirements to participate in the Program may be found in Chapters 1, 2, 21, 24 and 26 of Title 10, Part 1, of the Texas Administrative Code (TAC), and Chapter 2306 of the Texas Government Code. In addition to other applicable federal laws, Program Participants may be required to comply with the Personal Responsibility and Work Opportunity Act (PRWORA) (Pub. L. 104- 193, 100 Stat. 2105, codified at 8 U.S.C. §1601 *et. seq.*, as amended by Omnibus Appropriations Act, 1997, Pub. L. 104-208). Program Participants may also be required to verify the immigration status of individuals applying for the Bootstrap Program. Any capitalized terms not defined in this NOFA will be defined in these chapters.

This NOFA utilizes an online reservation system for Program Participants to reserve funds on behalf of eligible Owner-Builders. Prior to accessing the reservation system, all Program Participants must:

- Be either a nonprofit organization certified by TDHCA as a Nonprofit Owner-Builder Housing Provider (NOHP), or a Colonia Self-Help Center (CSHC) established by TDHCA under Chapter 2306 of the Texas Government Code and 10 TAC Chapter 25 and approved to participate in the Program;
- Have an executed "Loan Origination and Reservation System Access Agreement" for the Texas Bootstrap Loan Program; and
- Fulfill the additional requirements listed below.

Funding Guidelines

Funds under this NOFA are not subject to the Regional Allocation Formula (RAF) since two-thirds of the funds are allocated in accordance with Tex. Gov't Code §2306.753(d) and the remaining one-third of the funds is less than \$3,000,000 in accordance with Tex. Gov't Code §2306.111(d-1)(3).

The \$3,145,444.65 of FY 2018 funds was available for reservation on December 4, 2017:

- Two-third set-aside (\$2,098,011.59) for census tracts listed at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>
- Remaining one-third set-aside (\$1,047,433.06) available statewide

The \$3,000,000 of FY 2019 funds will be available for reservation on August 1, 2018, and will be accessible by Program Participants on September 4, 2018, as follows:

- Two-third set-aside (\$2,000,000) for census tracts listed at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>
- Remaining one-third set-aside (\$1,000,000) available statewide

Under Tex. Gov't Code §2306.754(a), the maximum Bootstrap loan per household is \$45,000.

The Owner-Builder may obtain supplemental funds from other sources. Rates and terms for all additional non-TDHCA resources must be fully documented in accordance with Program guidelines and the Texas Administrative Code at 10 TAC 24.9(i)(1).

After Program Participant completes each home and mortgage loan closing, TDHCA will disburse an administration fee to the NOHP/CSHC equal to 10% of the Bootstrap loan amount.

Reservation System Guidelines

In order to reserve funding, Program Participants (certified NOHPs or CSHCs) must execute a Loan Origination and Reservation Access Agreement with TDHCA. Those with existing TDHCA Agreements must be in compliance with all performance benchmarks listed in their Agreement.

Program Participants shall market the Program in accordance to 10 TAC §20.9, complete application intake, and qualify Households for participation as Owner-Builders.

Program Participants reserve funds on a first-come, first-served basis and TDHCA processes the reservations in the order they are received.

For FY 2018 funds, there was a \$450,000 maximum reservation limit per Program Participant. **On Tuesday, May 1, 2018, this maximum reservation limit will increase to \$1,125,000, subject to the availability of FY 2018 funds.** TDHCA will accept reservations of FY 2018 funds on an ongoing basis until July 31, 2018, or until all funding has been reserved.

For FY 2019 funds, a \$450,000 maximum reservation limit per Program Participant will apply on August 1, 2018, for approximately 6 months. Then on February 5, 2019, this maximum reservation limit will increase to \$1,125,000, subject to the availability of funds. TDHCA will accept reservations of FY 2019 funds on an ongoing basis until August 31, 2020, or until all funding has been reserved.

For Program Participants at the maximum reservation limit, existing Bootstrap loans must close before additional reservations can be submitted.

Bootstrap Application/Compliance Checklist

After reserving funds, it is the Program Participant's responsibility to submit the package of documents listed on the "Bootstrap Application/Compliance Checklist" on time. The checklist is Exhibit 9 of the Texas Bootstrap Loan Program Manual and can be found here: <http://www.tdhca.state.tx.us/oci/forms.jsp>.

The entire Application/Compliance package of documents must be submitted either

- within 10 business days of the date the Owner-Builder application was submitted via the online reservation system OR
- within 1 business day of receiving the following data, whichever is sooner:
 1. Consumer's/Applicant's Name;
 2. Consumer's/Applicant's Income;
 3. Consumer's/Applicant's Social Security Number (to obtain a credit report);
 4. Property Address;
 5. The mortgage loan amount sought; and
 6. An estimate of the value of the property

TDHCA requires that the Application/Compliance package be submitted online through the secure Single-Family File Transfer System <https://sf-files.tdhca.state.tx.us/>. For access to the file transfer system, please contact Lisa Johnson at lisa.johnson@tdhca.state.tx.us or (512) 936-9888. TDHCA may waive this requirement if a Program Participant has limited internet access.

TDHCA will review the Application/Compliance Package within 10 business days of receipt and provide written notification to the Program Participant of the Owner-Builder's eligibility.

Advanced Priority Access to the Reservation System

Under Texas Government Code Sections 2306.753 and 2306.757, TDHCA will grant 24 hours of advanced priority access to the reservation system to Program Participants submitting Owner-Builder applications meeting the following criteria:

- (1) Household income is below \$17,500 per year, OR
- (2) Property is located in a county or municipality that has verified—in writing—that it will waive Capital Recovery Fees, building permit fees or other fees related to

Bootstrap-funded construction. In order to receive priority, these fees must be imposed by the county, municipality, or respective water supply company.

For FY 2019 funds, the 24 hours of advanced priority access to the reservation system will occur as follows:

- Begins on Wednesday, August 1, 2018, at 9:30 a.m. Austin local time, ends on Thursday August 2, 2018, at 9:29 a.m. Austin local time.
- On Thursday August 2, 2018, from 9:30 a.m. to 9:59 a.m. Austin local time, the online reservation system will be inactive while TDHCA reconciles reservations. Absolutely no reservations will be accepted at this time.
- On Thursday August 2, 2018, at 10:00 a.m. Austin local time, all remaining funds will be available to any Owner-Builder applicant meeting Program Guidelines.
- TDHCA will cancel any reservation that does not meet the priority criteria upon further review. A reservation for an Owner-Builder applicant does not guarantee funding.

Contact

For more information regarding this NOFA, please contact Lisa Johnson at (512) 936-9988 or lisa.johnson@tdhca.state.tx.us.