



**Texas Department of Housing and Community Affairs
State Housing Trust Fund
Fiscal Year 2020-2021 Texas Bootstrap Loan Program
Notice of Funding Availability
December 31, 2019**



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Section 1. Summary

The Texas Department of Housing and Community Affairs (TDHCA), announces the availability of \$6,430,382.52 from the State of Texas Housing Trust Fund (HTF) for Fiscal Year (FY) 2020 and FY 2021 for the Texas Bootstrap Loan Program (Program). The Program is a self-help housing construction program that provides very low-income households or persons with special needs (Owner-Builders) an opportunity to purchase real property on which to construct new housing or repair existing housing through sweat equity, or refinance an existing loan to construct new housing or repair existing housing through sweat equity.

This NOFA utilizes an online reservation system for Program Participants to reserve funds on behalf of eligible Owner-Builders. Funding will be available in two parts. The first part consists of \$3,430,382.52 for FY 2020 and the second part consists of the remaining \$3,000,000 for FY 2021. Additional funds may be added to this NOFA from loan repayments, interest earnings and cancelled reservations from prior years. Section 3, "Funding Dates and Guidelines", outlines all deadlines for funding reservation and applications.

Advanced priority access is available if specific criteria is satisfied.

Annual funds under this NOFA are not subject to the Regional Allocation Formula (RAF) because 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).

Section 2. Legal Requirements

Requirements to participate in the Program may be found in Chapters 1, 2, 20, 21, 24, and 26 of Title 10, Part 1, of the Texas Administrative Code (TAC), and Chapter 2306 of the Texas Government Code. Any capitalized terms not defined in this NOFA, will be defined in these chapters. 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 Program.

Before accessing the online 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 in this NOFA.

Section 3. Funding Dates and Guidelines

FY 2020

- Thursday, January 16, 2020: Advanced Priority Access is available as described in Section 4.
- Friday, January 17, 2020: The \$3,430,382.52 of FY 2020 funds will be made available for reservation. Two-third set-aside (\$2,287,036.03) for census tracts listed at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>. Remaining one-third set-aside (\$1,143,346.49) available statewide.
- There is a \$450,000 maximum reservation limit per Program Participant until Friday, July 17, 2020, when the maximum reservation limit per Program Participant increases to \$950,000, subject to availability.
- Monday, August 31, 2020: Applications for funding under FY 2020 will be accepted until this date, or until all funding has been reserved.

FY 2021

- Tuesday, September 1, 2020: Advanced Priority Access is available as described in Section 4.
- Wednesday, September 2, 2020: The \$3,000,000 of FY 2021 funds will be made available for reservation. 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.
- There is a \$450,000 maximum reservation limit per Program Participant until Monday, March 1, 2021, when the maximum reservation limit per Program Participant increases to \$950,000, subject to availability.
- Tuesday, August 31, 2021: Applications for funding under FY 2021 will be accepted until this date, or until all funding has been reserved.

Section 4. Advanced Priority Access to the Reservation System

Under Texas Government Code Sections 2306.753(a) and 2306.757, TDHCA will grant 24 hours of advanced priority access in each fiscal year 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 2020 funds, the 24 hours of advanced priority access to the reservation system will occur as follows:

- Begins on Thursday, January 16, 2020, at 9:30 a.m. Austin local time, ends on Friday, January 17, 2020, at 9:29 a.m. Austin local time.
- On Friday, January 17, 2020, 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 Friday, January 17, 2020, at 10:00 a.m. Austin local time, all remaining FY 2020 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.

For FY 2021 funds, the 24 hours of advanced priority access to the reservation system will occur as follows:

- Begins on Tuesday September 1, 2020, at 9:30 a.m. Austin local time, ends on Wednesday, September 2, 2020, at 9:29 a.m. Austin local time.
- On Wednesday, September 2, 2020, 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 Wednesday, September 2, 2020, at 10:00 a.m. Austin local time, all remaining FY 2021 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.

Section 5. Loan Limitations and Administration Fee

Under Tex. Gov't Code §2306.754(a), TDHCA may not exceed the maximum Bootstrap loan amount per household of \$45,000. However, other TDHCA funding sources, except the other State Housing Trust Funds, may be used.

The Owner-Builder may also 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(l)(1).

After a 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.

Section 6. Reservation System Guidelines

Before reserving 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 requirements listed in their Agreement.

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

Section 7. Bootstrap Application/Compliance Checklist

After reserving funds, it is the Program Participant's responsibility to timely submit the package of documents listed on the "Bootstrap Application/Compliance Checklist, Exhibit 9" of the Texas Bootstrap Loan Program Manual accessed here:

<http://www.tdhca.state.tx.us/oci/forms.jsp>.

The entire Application/Compliance package must be submitted by the earlier of:

- 10 calendar days of the date the Owner-Builder application was submitted via the online reservation system; OR
- 3 calendar days of receiving all the following data:
 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 the Application/Compliance package to 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 calendar days of receipt and provide written notification to the Program Participant of the Owner-Builder's eligibility.

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