TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
TDHCA Governing Board Approved Draft of proposed new 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3 Definitions and §20.16, Minimum Energy Efficiency Standards

**Disclaimer**

Attached is a draft of proposed new 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3 Definitions and §20.16, Minimum Energy Efficiency Standards. This draft was approved by the TDHCA Governing Board on July 9, 2026. This action entails repeal of the current rule and replacement with a new rule. This document, including its preamble, is expected to be published in July 24, 2026, edition of the Texas Register and that published version will constitute the official version for purposes of public comment and can be found at the following link: https://www.sos.texas.gov/texreg/index.shtml.

**Public Comment**

**Public Comment Period:** **Starts: 8:00 a.m. Austin local time on Friday, July 24, 2026**
**Ends: 5:00 p.m. Austin local time on Monday, August 24, 2026**

Comments received after 5:00 p.m. on Monday, August 24, 2026 will not be accepted. Written comments may be submitted electronically within the designated public comment period to Abigail Versyp via email to abigail.versyp@tdhca.texas.gov

Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment. Please be aware that all comments submitted to the TDHCA will be considered public information.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**
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DEPARTAMENTO DE VIVIENDAS Y ASUNTOS COMUNITARIOS DE TEXAS
La Junta Directiva del Departamento De Viviendas y Asuntos Comunitarios de Texas aprobó el borrador de la nueva norma propuesta del Capítulo 20 del Título 10 del Código Administrativo de Texas (10 TAC): Norma General para programas de vivienda unifamiliar, que incluye la sección §20.3 (Definiciones) y la sección §20.16 (Normas mínimas de eficiencia energética).

**Descargo de responsabilidad**

Se adjunta un borrador de la nueva norma propuesta del Capítulo 20 del Título 10 del Código Administrativo de Texas (10 TAC): Norma General para programas de vivienda unifamiliar, que incluye la sección §20.3 (Definiciones) y la sección §20.16 (Normas mínimas de eficiencia energética).Este borrador fue aprobada por la Junta Directiva del Departamento De viviendas y Asuntos Comunitarios de Texas el 9 de julio de 2026. Esta acción conlleva la derogación de la regla presente y su sustitución por una nueva regla. Esta acción normative, incluido su preábulo, se publicará en la edición del 24 de julio de 2026 del *Texas Register,* y dicha version publicada es la versión que constituirá la versión oficial para propósitos de comentario público, la cual se puede encontrar en la siguiente página web: https://www.sos.texas.gov/texreg/index.shtml

**Comentario Público**

**Período de comentario público:** **Comienza: 8:00 a.m. del viernes 24 de julio de 2026**
**Finaliza: 5:00 p.m. del lunes 24 de agosto de 2026**

Comentarios recibidos después de las 5:00 p.m. el lunes 24 de agosto de 2026 no serán aceptados. Se pueden enviar comentarios por escrito, en copia impresa/fax o en formato electrónico a:

Departamento de Vivienda y Asuntos Comunitarios de Texas
A la atención de: Abigail Versyp
P.O. Box 13941
Austin, Texas 78711-3941
Correo electrónico: abigail.versyp@tdhca.texas.gov

Los comentarios por escrito se pueden enviar en formato impreso o por correo electrónico dentro del período designado para comentarios públicos. Los que hagan comentarios públicos son animados a hacer referencia a la propuesta de regla, póliza o plan específico relacionado con su comentario, así como a una referencia o cita específica asociada con cada comentario. Por favor tenga en cuenta que todos los comentarios enviados al Departamento de Vivienda y Asuntos Comunitarios de Texas se considerarán información pública.

Family Programs Umbrella rule are included in the attachments. A black line version with all changes will be available on the Department's website during the public comment period.

**Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3, Definitions**

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3, Definitions. The purpose of the proposed repeal is to eliminate the outdated rule and replace it with a more germane rule.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.
The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program but relates to the repeal, and simultaneous readoption of a section of Definitions that are now needed with the addition of an energy efficiency subsection for single family construction activities taking place under a separate action.
2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed repeal will repeal an existing regulation, however that regulation is being simultaneously proposed under another action.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated the proposed repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the proposed repeal would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed repeal and also requests information related to the cost, benefit, or effect of the proposed repeal, including any applicable data, research, or analysis from any person required to comply with the repeal or any other interested person. The public comment period will be held July 24, 2026 to August 24, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Chad Landry at chad.landry@tdhca.texas.gov ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, August 24, 2026.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repeal affects no other code, article, or statute.

**10 TAC Chapter 20, Single Family Programs Umbrella Rule**

**§20.3 Definitions**

**Attachment 2: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 21, Minimum Energy Efficiency Requirements For Single Family Construction Activities**

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 21, Minimum Energy Efficiency Requirements for Single Family Construction Activities. The purpose of the proposed repeal is to eliminate the rule, and consolidate the Energy Efficiency Requirements into another rule that is more germane to the topic through a separate rule action.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program but relates to updates to improve the Department's regulatory efficiency.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed repeal will repeal an existing regulation in an effort to improve the efficiency of the Department's rules.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the proposed repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the changed sections would be a clearer rule. There will not be economic costs to individuals required to comply with the repealed section.
f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed repeal and also requests information related to the cost, benefit, or effect of the proposed repeal, including any applicable data, research, or analysis from any person required to comply with the repeal or any other interested person. The public comment period will be held July 24, 2026 to August 24, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Chad Landry at chad.landry@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, August 24, 2026.
STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repeal affects no other code, article, or statute.

**Attachment 3: Preamble, including required analysis, for proposed new 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3, Definitions and §20.16, Minimum Energy Efficiency Standards**

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 20 Single Family Programs Umbrella Rule, §20.3, Definitions and §20.16, Minimum Energy Efficiency Standards. The purpose of the new §20.3, Definitions is to update defined terms; the purpose of new §20.16, Minimum Energy Efficiency Standards is to add a subsection that incorporates baseline energy efficiency standards for single family construction activities outlined that are currently being repealed from another chapter under separate action.

Tex. Gov't Code §2001.0045(b) does not apply to the proposed rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed new rules does not create or eliminate a government program but relates to the repeal, and simultaneous readoption of the rule to now include an energy efficiency section and updated definitions for single family construction activities.

2. The proposed new rules do not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed new rules do not require additional future legislative appropriations.

4. The proposed new rules will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed new rules are not creating a new regulation, except that they are replacing two sections being repealed simultaneously under other action to provide for revisions.

6. The proposed new rules will not expand, limit, or repeal an existing regulation.

7. The proposed new rules will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed new rules will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the proposed new rules and determined that they will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed new rules do not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the proposed new rules as to their possible effects on local economies and has determined that for the first five years the proposed new rules would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rules.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed new rules are in effect, the public benefit anticipated as a result of the new rules would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the new sections.
f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed new rules are in effect, enforcing or administering the sections does not have any foreseeable implications related to costs or revenues of the state or local governments.
REQUEST FOR PUBLIC COMMENT AND INFORMATION RELATED TO COST, BENEFIT OR EFFECT. The Department requests comments on the proposed new rules and also requests information related to the cost, benefit, or effect of the proposed new rules, including any applicable data, research, or analysis from any person required to comply with the new rules or any other interested person. The public comment period will be held July 24, 2026 to August 24, 2026, to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Chad Landry at chad.landry@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, August 24, 2026.

STATUTORY AUTHORITY. The new section is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the new section affects no other code, article, or statute.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**Chapter 20**

**SINGLE FAMILY PROGRAMS UMBRELLA RULE**

**§20.3 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings unless the context indicates otherwise. Any capitalized terms not specifically defined in this section or any section referenced in this chapter shall have the meaning as defined in Chapter 2306 of the Tex. Gov't Code, the Program Rules, the Texas Administrative Code (TAC), or applicable federal regulations.

(1) Activity--The assistance provided to a specific Household or Administrator by which funds are used for acquisition, new construction, reconstruction, rehabilitation, refinance of an existing Mortgage, tenant-based rental assistance, or other Department approved Expenditure under a single family housing Program.

(2) Administrator--A unit of local government, Nonprofit Organization or other entity acting as a subrecipient, Developer, or similar organization that has an executed written Agreement with the Department.

(3) Affiliate--If, directly or indirectly, either one Controls or has the power to Control the other or a third person Controls or has the power to Control both. The Department may determine Control to include, but not be limited to:

(A) Interlocking management or ownership;

(B) Identity of interests among family members;

(C) Shared facilities and equipment;

(D) Common use of employees; or

(E) A business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person.

(4) Affiliated Party--A person or entity with a contractual relationship with the Administrator as it relates to a Program, the form of assistance under a Program, or an Activity.

(5) Affirmative Marketing Plan--HUD Form 935.2B or equivalent plan created in accordance with HUD requirements to direct specific marketing and outreach to potential tenants and homebuyers who are considered "least likely" to know about or apply for housing based on an evaluation of market area data. May be referred to as "Affirmative Fair Housing Marketing Plan" (AFHMP).

(6) Agreement--Same as "Contract." May be referred to as a "Reservation System Agreement" or "Reservation Agreement" when providing access to the Department's Reservation System as defined in this chapter.

(7) Amy Young Barrier Removal Program--A program designed to remove barriers and address immediate health and safety issues for Persons with Disabilities as outlined in the Program Rule.

(8) Annual Income--The definition of Annual Income and the methods utilized to establish eligibility for housing or other types of assistance as defined under the Program Rule.

(9) Applicant--An individual, unit of local government, nonprofit corporation or other entity, as applicable, who has submitted to the Department or to an Administrator an Application for Department funds or other assistance.

(10) Application--A request for a Contract award or a request to participate in a Reservation System submitted by an Applicant to the Department in a form prescribed by the Department, including any exhibits or other supporting material.

(11) Area Median Family Income (AMFI)--The income limits published annually by the U.S. Department of Housing and Urban Development (HUD) for the Housing Choice Voucher Program that is used by the Department to determine the income eligibility of Households to participate in Single Family Programs.

(12) Borrower--a Household that is borrowing funds from or through the Department for the acquisition, new construction and/or rehabilitation of the Household's Principal Residence.

(13) Certificate of Occupancy--Document issued by a local authority to the owner of premises attesting that the structure has been built in accordance with building ordinances.

(14) CFR--Code of Federal Regulations.

(15) Combined Loan to Value (CLTV)--The aggregate principal balance of all the Mortgage Loans, including Forgivable Loans, divided by the appraised value.

(16) Competitive Application Cycle--A defined period of time that Applications may be submitted according to a published Notice of Funding Availability (NOFA) that will include a submission deadline and selection or scoring criteria.

(17) Concern--A policy, practice or procedure that has not yet resulted in a Finding, but if not changed will or may result in a Finding, or disallowed costs.

(18) Contract--The executed written agreement between the Department and an Administrator performing an Activity related to a single family Program that describes performance requirements and responsibilities. May also be referred to as "Agreement."

(19) Contract Term--The timeframe in which funds may be expended under the Contract or Agreement for certain administrative costs and for all the hard and soft costs of Activities, as further described in the Contract or Agreement.

(20) Control--The possession, directly or indirectly, of the power to direct or cause the direction of the management, operations or policies of any person or entity, whether through the ownership of voting securities, ownership interests, or by contract or otherwise.

(21) Debt--A duty or obligation to pay money to a creditor, lender, or person which can include car payments, credit card bills, loans, child support payments, and student loans.

(22) Debt-to-Income Ratio--The percentage of gross monthly income from Qualifying Income that goes towards paying off Debts and is calculated by dividing total recurring monthly Debt by gross monthly income expressed as a percentage.

(23) Deobligate--The cancellation of or release of funds under a Contract or Agreement as a result of expiration of, termination of, or reduction of funds under a Contract or Agreement.

(24) Developer--Any person, general partner, Affiliate, or Affiliated Party or affiliate of a person who owns or proposes a Development or expects to acquire control of a Development and is the person responsible for performing under the Contract with the Department.

(25) Development--A residential housing project for homeownership that consists of one or more units owned by the Developer during the development period and financed under a common plan which has applied for Department funds. This includes a project consisting of multiple units of housing that are located on scattered sites.

(26) Domestic Farm Laborer--Individuals (and the Household) who receive a substantial portion of their income from the production or handling of agricultural or aquacultural products.

(27) Draw Request--A request submitted to the Department, by an Administrator, seeking reimbursement of Program funds for completing an expenditure relating to the Program.

(28) ENERGY STAR Certified Appliances, Equipment, and Products--Labeled appliances, equipment, and products that are independently certified to save energy without sacrificing features or functionality, meeting the U.S. EPA's specifications for energy efficiency and performance.

(29) ENERGY STAR Certified Home--A new construction home that has earned the ENERGY STAR label and has undergone a process of inspections, testing, and verification to meet requirements set forth by the U.S. EPA.

(30) ENERGY STAR Certified Manufactured Housing Unit--A manufactured home that has been designed, produced, and installed by the home manufacturer to meet ENERGY STAR requirements for energy efficiency.

(~~28~~31) Enforcement Committee--The Committee as defined in Chapter 2 of this title (relating to Enforcement).

(~~29~~32) Finding--An Administrator's material failure to comply with rules, regulations, the terms of the Contract, or to provide services under a Program to meet appropriate standards, goals, and other requirements established by the Department or funding source (including performance objectives). A

Finding impacts the organization's ability to achieve the goals of the program and may jeopardize continued operations of the Administrator. A Finding includes the identification of an action or failure to act that results or may result in disallowed costs.

(~~30~~33) Forgivable Loan--Financial assistance in the form of a Mortgage Loan that is not required to be repaid if the terms of the Mortgage Loan are met.

(34~~1~~) HOME Program--A HUD funded Program authorized under the HOME Investment Partnerships Program at 42 U.S.C. §§12701 - 12839.

(~~32~~35) Household--One or more persons occupying a rental unit or owner-occupied Single Family Housing Unit as their primary residence. May also be referred to as a "family" or "beneficiary."

(36~~3~~) Housing Contract System (HCS)--The electronic information system or systems that are part of the "central database" established by the Department to be used for tracking, funding, and reporting single family Contracts and Activities. May also be known as Contract System.

(37~~4~~) HUD--The United States Department of Housing and Urban Development or its successor.

(38~~35~~) Improvement Survey--A boundary survey plus land improvements by a Texas surveyor with a surveyor's seal, license number, and signature, meeting the requirements of the Texas Board of Professional Land Surveying under Chapter 663, Part 29, Title 2 of the TAC, showing (at a minimum) the accompanying legal description; all boundaries clearly labeled with calls and distance found on the ground and per the legal description; the location of all improvements, structures, visible utilities, fences, or walls; any boundary or visible encroachments; all adjoinders and recording information; location of all easements, setback lines, and utilities; or other recorded matters affecting the use of the property.

(39~~6~~) Life-of-Loan Flood Certification--Tracks the flood zone of the Single Family Housing Unit for the life of the Mortgage Loan.

(40~~37~~) Limited English Proficiency (LEP)--Refers to persons who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English.

(~~38~~41) Loan Assumption--An agreement between the buyer and seller of Single Family Housing Unit that the buyer will make remaining payments and adhere to terms and conditions of an existing Mortgage Loan on the Single Family Housing Unit and Program requirements. A Mortgage Loan assumption requires written Department approval.

(~~39~~42) Manufactured Housing Unit (MHU)--A structure that meets the requirements of Texas Manufactured Housing Standards Act, Chapter 1201 of the Texas Occupations Code or Federal Housing Administration (FHA) guidelines as required by the Department.

(43~~0~~) Mortgage--Has the same meaning as defined in §2306.004 of the Tex. Gov't Code.

(44~~1~~) Mortgage Loan--Has the same meaning as defined in §2306.004 of the Tex. Gov't Code.

(45~~2~~) Neighborhood Stabilization Program (NSP)--A HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA) and Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010, as a supplemental allocation to the CDBG Program.

(46~~3~~) NOFA--Notice of Funding Availability or announcement of funding published by the Department notifying the public of available funds for a particular Program with certain requirements.

(47~~4~~) Nonprofit Organization--An organization in which no part of its income is distributable to its members, directors or officers of the organization and has a current tax exemption classification status from the Internal Revenue Service in accordance with the Internal Revenue Code.

(48~~5~~) Office of Colonia Initiatives--A division of the Department authorized under Chapter 2306 of Tex. Gov't Code, which acts as a liaison to the colonias and manages some Programs in the colonias.

(49~~6~~) Parity Lien--A lien position whereby two or more lenders share a security interest of equal priority in the collateral.

(50~~47~~) Persons with Disabilities--Any person who has a physical or mental impairment that substantially limits one or more major life activities; or has a record of such an impairment; or is being regarded as having such impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act, and disability as defined by other applicable federal or state law.

(~~48~~51) Principal Residence--The primary Single Family Housing Unit that a Household inhabits. May also be referred to as "primary residence."

(~~49~~52) Program--The specific fund source from which single family funds are applied for and used.

(~~50~~53) Program Income--Gross income received by the Administrator or Affiliate directly generated from the use of single family funds, including, but not limited to gross income received from matching contributions under the HOME Program.

(54~~1~~) Program Manual--A set of guidelines designed to be an implementation tool for a single family Program. A Program Manual is developed by the Department and amended or supplemented from time to time.

(55~~2~~) Program Rule--Chapters of Part 1 of this title which pertain to specific single family Program requirements.

(56~~3~~) Qualifying Income--The income used to calculate the Borrower's debt-to-income ratio and excludes the total of any income not received consistently for the past 12 months from the date of Application including, but not limited to, income from a full or part time job that lacks a stable job history, potential bonuses, commissions, and child support. Income received for less than 12 months such as retirement annuity or court ordered payments will be considered only if it is expected to continue at least 24 months in the foreseeable future.

(57~~4~~) Reservation--Funds set-aside for a Household submitted through the Department's Reservation System.

(58~~5~~) Reservation System--The Department's online tracking system that allows Administrators to reserve funds for a specific Household.

(~~56~~59) Resolution--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws of the issuing organization.

(~~57~~60) Reverse Mortgage--A Home Equity Conversion Mortgage insured by the FHA.

(~~58~~61) Self-Help--Housing Programs that allow low-income families to build or rehabilitate their Single Family Housing Units through their own labor or volunteers.

(~~59~~62) Service-Area--The geographical area where an Administrator conducts Activities under a Contract.

(~~60~~63) Single Family Housing Unit--A residential dwelling designed and built for a Household to occupy as its primary residence where single family Program funds are used for rental, acquisition, construction, reconstruction or rehabilitation Activities of an attached or detached housing unit, including Manufactured Housing Units after installation. May be referred to as a single family "home," "housing," "property," "structure," or "unit."

(~~61~~64) State Median Family Income (SMI)--The median income for the state adjusted for household size and published annually by the U.S. Department of Housing and Urban Development (HUD).

(~~62~~65) TAC--Texas Administrative Code.

(~~63~~66) Texas Housing Trust Fund (Texas HTF)--Funding source for state-funded Programs authorized under Chapter 2306 of Tex. Gov't Code.

(~~64~~67) TMCS--Texas Minimum Construction Standards.

(68) U.S. EPA--United States Environmental Protection Agency.

(69) WaterSense Labeled Fixtures--Labeled products that are backed by independent, third-party testing and certification, meeting the U.S. EPA's specifications for water efficiency and performance.

**§20.16 Minimum Energy Efficiency Standards**

(a) All applicable construction activities shall comply with:

(1) the energy conservation requirements adopted by the State of Texas;

(2) applicable provisions of the International Energy Conservation Code (IECC), as adopted or amended by the State of Texas or local jurisdiction;

(3) applicable federal energy-efficiency requirements; and

(4) any additional standards established by the Department through program guidance, underwriting requirements, construction manuals, or administrative directives.

(b) Where multiple standards apply, the more restrictive requirement shall govern unless otherwise prohibited by law.

(c) The Department may adopt updated editions of energy-efficiency standards or technical requirements through administrative guidance, provided such standards are consistent with applicable law and funding requirements.

(d) New Construction and Reconstruction Activities. Single family residential dwellings, as defined in Chapter 388.002 of the Texas Health and Safety Code, that are newly constructed or reconstructed shall comply with the more stringent of §388 of the Health and Safety Code (Texas Building Energy Performance Standards), or the standards adopted by the local jurisdiction.

(1) Effective September 1, 2016, the Texas State Energy Conservation Office adopted the 2015 International Residential Code (Chapter 11) as the state-mandated energy code for all residential construction, which includes one- and two-family residences of three stories or less above grade.

(2) Federally-funded single family residential dwellings for which funds are committed on or after October 1, 2025 (excluding CDBG), must comply with the 2021 International Energy Conservation Code (IECC); or must comply with a federally approved alternative compliance pathway.

(e) Manufactured Housing Unit Activities

(1) All Manufactured Housing Units installed as replacement for sub-standard housing shall be ENERGY STAR certified; or

(2) In cases where the type of product is not ENERGY STAR, or if ENERGY STAR products are not reasonably available due to supply shortages or cost limitations, Administrators may select the highest rated product available, so long as the product delivers at least 10% energy savings in comparison to products meeting the minimum code.

(f) Rehabilitation Activities. All Rehabilitation activities shall comply with this chapter.

(1) Certifications of compliance with this chapter shall be conducted by the Administrator or a code or other qualified inspector for release of final payment from the Department as outlined in the Program Rule. Inspectors selected by the Administrator to verify compliance with this chapter must be certified by the Administrator to have sufficient professional certifications, relevant education, or experience in a field directly related to home inspection, which may include, but is not limited to, installing, servicing, repairing or maintaining the structural, mechanical, plumbing, and electrical systems found in Single Family Housing Units.

(2) If the proposed scope of work or the awarded construction contract for the Rehabilitation of an existing single family residential unit includes an item described in subparagraphs (A) - (J) of this subsection, the specific requirement so noted in subparagraphs (A) - (J) of this paragraph shall apply:

(A) Replacement or installation of central heating and cooling equipment and appliances shall be installed in accordance with the manufacturer's instructions and the requirements of Chapter 14 of the 2015 International Residential Code;

(B) Replacement or installation of duct systems serving heating, cooling, and ventilation equipment shall be installed in accordance with the provisions of Chapter 16 of the 2015 International Residential Code;

(C) If central heating and cooling equipment is replaced or installed, attic insulation shall be installed or increased according to Chapter 11, Figure N1102.1.2 of the 2015 International Residential Code, including insulation covering the top plates of exterior walls. Eave baffles and access hatches shall be installed as specified in Chapter 11, Sections N1102.2.3- N1102.2.4 of the 2015 International Residential Code;

(D) If ductless heating and cooling systems (also known as mini-split, multi-split, or variable refrigerant flow (VRF) heat pump systems) are replaced or installed, they shall be ENERGY STAR certified;

(E) If exhaust fans are replaced or installed in bathrooms or kitchens, they shall be ENERGY STAR certified and installed in accordance with Chapter 15 of the 2015 International Residential Code;

(F) If windows are installed, they shall be ENERGY STAR certified windows, meeting the U-factor and Solar Heat Gain Coefficient for the climate zone of the dwelling as identified in Chapter 11, Table N1102.1.2 of the 2015 International Residential Code;

(G) If doors are installed, they shall be ENERGY STAR certified doors;

(H) Electrical fixtures, equipment, and appliances that are replaced or installed, where applicable, shall be ENERGY STAR certified products;

(I) Plumbing fixtures that are replaced or installed, where applicable, shall be WaterSense labeled products; and

(J) Domestic water heaters, storage and tankless, when replaced or installed, shall meet the Federal Energy Conservation Standards required by 10 CFR §430.32, as they may be revised from time to time.

(g) Verification of Compliance. The Department may require documentation demonstrating compliance with applicable energy-efficiency requirements.

(1) Acceptable forms of documentation may include:

(A) inspection reports;

(B) builder certifications;

(C) third-party verification reports;

(D) Home Energy Rating System (HERS) ratings;

(E) REScheck documentation;

(F) local code compliance certifications; or

(G) other documentation acceptable to the Department.

(2) Documentation required under this section shall be maintained in the project file in accordance with applicable record retention requirements established by state or federal law and Department program requirements.

(3) The Department may conduct reviews, inspections, audits, or monitoring activities to verify compliance with this subchapter.

(4) Compliance with this minimum energy efficiency standards does not relieve any person or entity from compliance with applicable building codes, local ordinances, accessibility requirements, environmental requirements, or other applicable state or federal laws and regulations.

(5) Nothing in this subchapter limits the authority of the Department to impose additional construction or underwriting requirements through program rules, notices of funding availability, contracts, or other binding program documents.