



TEXAS BOOTSTRAP LOAN PROGRAM APPLICATION FOR NONPROFIT OWNER-BUILDER HOUSING PROVIDER CERTIFICATION



The undersigned certifies it has the capacity to serve as an Administrator as described in the Texas Department of Housing and Community Affairs' (Department) enabling legislation Texas Gov't Code [§2306, Subchapter FF](#), "Owner-Builder Loan Program" and adhere to 10 TAC Chapter 24, the Texas Bootstrap Loan Program Rule, and other applicable rules adopted by the Department's governing board. As a certified Administrator, the undersigned will:

- qualify potential Owner-Builders for Bootstrap loans;
- provide Owner-Builder education classes under Tex. Gov't Code, §2306.756;
- assist Owner-Builders in building or rehabilitating housing; and
- originate or service Bootstrap loans

The undersigned submits this application to be a certified Administrator and has read and understands the application instructions. The undersigned certifies that all information herein is true and correct to the best of their knowledge and belief.

This application is signed by a person authorized to execute documents on the Applicant's behalf.

Signature

Printed Name and Title

Date

Please scan and email all pages of this application plus the board resolution, Previous Participation form and any other applicable documents to:

bootstrap@tdhca.texas.gov

For more information, contact Luis Diaz at the email address above or call (512) 475-3843

APPLICANT LEGAL NAME (PER THE SECRETARY OF STATE):

CONTACT NAME:

CONTACT EMAIL:

CONTACT PHONE:

MAILING ADDRESS:

PHYSICAL ADDRESS (IF DIFFERENT):

APPLICANT IS A:

- Nonprofit Organization
- Colonia Self-Help Center (attach County letter verifying CSHC's performance/good standing)

RESOLUTION FROM BOARD OF DIRECTORS

Provide copy of board resolution that 1) is signed and dated within the past 6 months, 2) states that the board has approved the application to become a certified Administrator for the Texas Bootstrap Loan Program, and 3) states the name and/or title of the individual authorized to execute TDHCA documents on the organization's behalf.

UNIFORM PREVIOUS PARTICIPATION FORM FOR SINGLE FAMILY

Provide completed Previous Participation form that identifies participation during the last three years in any TDHCA programs (rental development, community affairs, or single family). The form is available at <https://www.tdhca.texas.gov/compliance-forms> under "Program Forms."

WARNING: Title 18, Section 1001 of the U.S. Code makes it a criminal offence to make willful, false statements or misrepresentations to any department or agency in the United States as to any matter within its jurisdiction.

INSTRUCTIONS

Nonprofit organizations seeking Administrator certification must submit all the items below.

An Administrator must be certified prior to execution of a Loan Origination and Reservation System Access Agreement. The term of the Loan Origination and Reservation System Access Agreement shall not exceed 36 months, after which an Administrator must reapply for certification and a new Loan Origination and Reservation System Access Agreement.

LEGAL STATUS

- Provide copy of Applicant's Charter, Articles of Incorporation, or Certificate of Formation that demonstrates Applicant is organized as a nonprofit organization.
- Provide copy of Applicant's Charter, Articles of Incorporation, or Certificate of Formation that demonstrates that no part of the organization's net earnings may inure or benefit any member, founder, contribution, or individual.
- Provide a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3) of the IRS Code of 1986 as evidenced by a determination letter dated 1986 or later or classification as a subordinate of a central organization nonprofit under the IRS Code §501(c)(3) as evidenced by a current group determination letter dated 1986 or later that specifically lists the Applicant.
- Provide copy of Applicant's Charter, Articles of Incorporation, Certificate of Formation, Resolutions or Bylaws that demonstrates that among the organization's purposes is the provision of decent housing that is affordable to low- and moderate-income people.

BOARD OF DIRECTORS

- Provide a current roster of all Board Members plus mailing addresses.

FINANCIAL CAPACITY

- Demonstrate Applicant conforms to the United States Generally Accepted Accounting Principles (GAAP) by providing a notarized statement by the organization's Executive Director or Chief Financial Officer or a certification from a Certified Public Accountant.
- IF APPLICABLE, Applicants opting to utilize Bootstrap funding for interim or construction loans (instead of permanent loans): Applicant must provide an audited financial statement for the most recent fiscal year or a signed/dated financial statement for the period since last published audit. If a no audit of financial statement is available, please contact the Department for guidance.

Note: TDHCA may require the Administrator to submit a [Single Audit Certification Form](#) (ACF) after executing a Reservation Agreement. Administrators submit an ACF within two months after the end of their fiscal year to report the amount of Federal and State funds expended during that fiscal year and any outstanding balance of federal loans if there are continuing compliance requirements other than repayment of the loan.

FIDELITY BOND – The Department requires that non-governmental Administrators of federal or state funds maintain adequate fidelity bond coverage, indemnifying the Administrator against losses resulting from the fraud or lack of integrity, honesty, or fidelity of one or more of its employees, officers, or other persons holding a position of trust. The fidelity bond must be for at least the greater of \$50,000 or 10% of the total funds reserved.

In accordance with 10 TAC §1.406, Applicants that are not units of local government must provide the items below:

- A fidelity bond obtained from a company holding a certificate of authority to issue such bonds in the State of Texas.
- A fidelity bond that states the amount (minimum \$50,000), the period of coverage, the positions covered, and the annual cost of the bond.
- A fidelity bond that includes all persons authorized to sign or counter-sign checks or to disburse sizable amounts of cash in an amount that exceeds \$250. Persons who handle only petty cash (amounts of less than \$250) and bond officials who are authorized to sign payment vouchers but are not authorized to sign or counter-sign checks or to disburse cash need not be bonded.
- A certification signed and dated within the past 6 months that states if total funds reserved exceed \$500,000, Applicant will increase the fidelity bond amount as needed to meet the minimum *10% of total funds reserved* requirement.

SELF-HELP CONSTRUCTION CAPACITY AND EXPERIENCE

Demonstrate Applicant has at least one year of experience carrying out mortgage loan origination and self-help housing construction activities by providing copies of key staff resumes or statements of experience or contracts with consultants with relevant experience.

PROGRAM DESIGN

Provide policy demonstrating how Owner-Builders will provide at least 65% of the labor necessary to build or rehabilitate their housing.

Provide description of 1) proposed number of homes to be built per year, 2) type of proposed financing structure, and 3) proposed construction timeline.

Submit copy of program guidelines for qualification and selection of potential Owner-Builders.

Submit copies of course curricula or manuals used for homebuyer education, homebuyer counseling, and construction training for Owner-Builders, as well as evidence of its ability to provide HUD-certified housing counseling, which may be provided by the Administrator or other HUD-certified provider.

LANGUAGE ACCESS PLAN (LAP)

A Limited English Proficiency (LEP) person is someone who is not able to speak, read, write, or understand the English language at a level that allows for effective communication with staff. Provide the plan that ensures LEP persons have meaningful access to services, activities, programs, and benefits. Include the following and for guidance refer to https://www.youtube.com/watch?v=GwHAPD-njEM&list=PLIW-C-0ioJwRaquaFamlyY69QV_r2O8jj&index=7:

- Methods of providing outreach and the notice that language assistance is available to LEP persons
- List of critical materials and vital documents translated to ensure meaningful access to the program
- How translation services are provided (contracted provider, telephonic, bilingual staff)
- Contact information for bilingual staff used in translation services, if applicable
- Policy for Staff training
- Policy for reviewing and updating the LAP, as needed
- Procedure for handling complaints

SERVICE AREA

Provide a list of all cities and/or counties Applicant intends to serve through the Program.