

Regular Session, 2011

SENATE BILL NO. 249

BY SENATOR RISER AND REPRESENTATIVE TUCKER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

HOUSING. Creates Louisiana Housing Corporation. (gov sig)

1 AN ACT  
2 To enact Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 40:600.86 through R.S. 600.110, and R.S. 42:1124.2, and to repeal R.S.  
4 36:769(J), Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950,  
5 comprised of R.S. 40:600.1 through 600.25.1, and Chapter 3-E of Title 40 of the  
6 Louisiana Revised Statutes of 1950, comprised of R.S. 40:600.61 through 600.68,  
7 relative to housing authorities; to create the Louisiana Housing Corporation and  
8 provide for its powers, functions, and duties; to provide for the abolishment of  
9 certain programs or agencies, the consolidation of housing programs and the transfer  
10 of certain programs or agencies; to provide for the filing of certain financial  
11 disclosure statements relative to certain boards and commissions; to provide terms,  
12 conditions, definitions, procedures, and effects; to provide for an effective date; and  
13 to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950,  
16 comprised of R.S. 40:600.86 through 600.110, is hereby enacted to read as follows:

17 **CHAPTER 3-G. LOUISIANA HOUSING CORPORATION ACT**

1                    **§600.86. Short title; findings; purpose**

2                    **A. This Chapter shall be known and may be referred to as the**  
3                    **"Louisiana Housing Corporation Act".**

4                    **B. (1) The legislature hereby finds and declares that there exists in the**  
5                    **state of Louisiana a serious shortage of decent, safe, and sanitary residential**  
6                    **housing.**

7                    **(2) The legislature hereby finds and declares further that private**  
8                    **enterprise and investment unaided has not been able to produce the needed**  
9                    **construction of decent, safe, and sanitary residential housing at prices which**  
10                   **persons and families of low or moderate income can afford, or to achieve the**  
11                   **urgently needed rehabilitation of existing inadequate and substandard**  
12                   **residential housing. The legislature further finds and declares that it is**  
13                   **imperative that the supply of residential housing for persons and families of low**  
14                   **or moderate income be increased substantially and that private enterprise and**  
15                   **investors be encouraged to sponsor, build, and rehabilitate residential housing**  
16                   **for such persons and families.**

17                   **(3) The legislature hereby finds and declares further that a major cause**  
18                   **of the shortage of residential housing is the inadequate supply of funds available**  
19                   **from private mortgage lenders for residential housing mortgage loans at**  
20                   **interest rates within the financial means of persons and families of low or**  
21                   **moderate income.**

22                   **(4) The legislature hereby finds and declares that the limited resources**  
23                   **available directly to the state or its agencies may be more effectively and**  
24                   **efficiently utilized if a single corporation is authorized and directed to**  
25                   **coordinate housing programs administered by the state or its agencies and**  
26                   **instrumentalities.**

27                   **(5) The legislature hereby finds and declares further that additional**  
28                   **financial resources and technical skills must be available in local communities**  
29                   **if the state is to mobilize the capacity of the private sector, including nonprofit**

1 community housing development organizations, to provide a more adequate  
2 supply of decent, safe, and sanitary housing.

3 (6) The legislature hereby finds and declares further that state  
4 leadership is needed to achieve an adequate supply of affordable housing for all  
5 residents of the state and that such leadership shall be provided through the  
6 corporation.

7 (7) The legislature hereby finds and declares further that this  
8 corporation should have the maximum amount of flexibility, responsibility, and  
9 discretion to assure that all the residents of the state shall have access to decent,  
10 safe, sanitary, and affordable housing; therefore, in carrying out the purposes  
11 of this Chapter, the corporation shall be presumed to possess broad powers and  
12 legal prerogatives which enable the corporation to carry out its purposes  
13 directly or indirectly through one or more nonprofit subsidiaries.

14 §600.87. Definitions

15 The following terms whenever used or referred to in this Chapter shall  
16 have the following meanings, unless the context clearly indicate otherwise:

17 (1) "Corporation" means the Louisiana Housing Corporation created  
18 by this Chapter.

19 (2) "Bonds" means the bonds, notes, renewal notes, refunding bonds,  
20 interim certificates, certificates of indebtedness, debentures, or other obligations  
21 or evidences of indebtedness authorized to be issued by the corporation  
22 pursuant to the provisions of this Chapter.

23 (3) "Federal government" means the United States of America and any  
24 agency or instrumentality, corporate or otherwise, of the United States of  
25 America.

26 (4) "Insured mortgage" means a mortgage loan for the acquisition,  
27 construction, rehabilitation or improvement of residential housing located  
28 within the state which is insured or guaranteed in whole or in part by the  
29 federal or state government, or any instrumentality or agency of the federal

1 government or the state government, including the Louisiana Housing  
2 Corporation, or by a private mortgage insurance company, which insures the  
3 holder of the mortgage against financial loss.

4 (5) "Lending institution" means any bank, bank or trust company,  
5 building and loan association, homestead, insurance company, investment  
6 banker, mortgage banker or company, pension or retirement fund, savings  
7 bank or savings and loan association which is authorized to do business in  
8 Louisiana.

9 (6) "Mortgage" means a conventional mortgage evidencing a contract  
10 by which a person binds all or part of his immovable property in favor of  
11 another to secure the execution and enforcement of a contract, but without  
12 divesting oneself of the possession of said property.

13 (7) "Mortgage loan" means a financial obligation secured by a  
14 mortgage.

15 (8) "Persons or families of low or moderate income" means persons as  
16 defined in Section 143 of the Internal Revenue Code, 23 U.S.C. 143.

17 (9) "Residential housing" means a specific work or improvement within  
18 the state undertaken primarily to provide decent, safe and sanitary dwelling  
19 accommodations for persons of low or moderate income, including but not  
20 limited to, the acquisition, construction, rehabilitation or improvement of land,  
21 buildings and improvements thereto in connection with apartments,  
22 condominiums, single family homes, townhouses, and nonhousing facilities  
23 appurtenant thereto.

24 (10) "State" means the state of Louisiana.

25 (11) "State agency" means any board, authority, agency, department,  
26 commission, public corporation, body corporate and politic or instrumentality  
27 of the state.

28 (12) "Subsidiary" means any nonprofit corporation in which the board  
29 of directors of the corporation constitute a majority of the governing body of

1 such entity.

2 §600.88. Creation of the agency

3 There is hereby created a public body corporate and politic known as the  
4 Louisiana Housing Corporation. The Louisiana Housing Corporation,  
5 hereinafter referred to as the agency or corporation, shall be a political  
6 subdivision and instrumentality of the state.

7 §600.89. Organization of the agency

8 A. The Louisiana Housing Corporation shall be governed by a board of  
9 directors composed of the following members:

10 (1) One member shall be the state treasurer or his designee.

11 (2) Six members shall be appointed by the governor, each of whom shall  
12 serve at the pleasure of the governor, shall be residents of the state, and shall  
13 have three to five years of experience in one or more of the fields of banking,  
14 mortgage, residential construction, real estate, nonprofit residential  
15 development, bonds, grants, or programs of the Department of Housing and  
16 Urban Development.

17 (3) Each appointment by the governor shall be submitted to the Senate  
18 for confirmation.

19 (4) Two additional members shall be appointed as follows:

20 (a) One person appointed by the president of the Senate.

21 (b) One person appointed by the speaker of the House of  
22 Representatives.

23 B. In the event of a vacancy in the office of any member of the board of  
24 directors, the governor shall appoint a replacement to serve for the remainder  
25 of the unexpired term.

26 C.(1) Each member of the board of directors shall hold office until the  
27 member resigns or is removed from office or until his successor has been  
28 appointed and has qualified.

29 (2) No appointed member shall serve more than four years, unless the

1 member has been re-appointed and re-confirmed.

2 (3) Any appointed member shall be eligible for reappointment.

3 (4) Any member of the board of directors of the corporation may be  
4 removed from office by the governor for incompetence, malfeasance,  
5 misconduct or willful neglect of duty, after reasonable notice and a public  
6 hearing, unless the same are expressly waived in writing.

7 (5) Each member of the corporation appointed by the governor shall,  
8 before entering office, take the oath of office required of public officials to  
9 administer the duties of his office faithfully and impartially, and a record of  
10 such oath shall be filed with the secretary of state.

11 D. Each member of the board of directors shall file financial disclosure  
12 statements pursuant to R.S. 42:1124.2.

13 §600.89. Officers of the agency; duties; liability

14 A. Executive director.

15 (1) Appointment.

16 (a) An executive director of the corporation shall be appointed by the  
17 board subject to the approval of the governor. Any person nominated shall  
18 meet all the requirements for being a member of the board of directors. Should  
19 the governor refuse to confirm the appointment of the executive director, then  
20 the board shall submit another name.

21 (b) The person whose appointment was refused shall not be renamed for  
22 confirmation for a period of two years.

23 (c) The governor shall, within thirty days after the nomination of the  
24 executive director, either approve or reject the nomination.

25 (2) Duties; requirements

26 (a) The executive director of the corporation shall manage the daily  
27 affairs of the corporation and shall have such powers and duties as specified by  
28 this Chapter and by the board of directors.

29 (b) The executive director shall not be a member of the board.

1                    (c) The executive director of the corporation shall serve at the pleasure  
2 of the board of directors.

3                    B. The executive director shall submit a staffing plan to the board for  
4 its approval.

5                    C. No officer or employee shall be a member of the board.

6                    E. The powers of the board.

7                    (1) The powers of the corporation shall be vested in the board of  
8 directors thereof in office from time to time.

9                    (2) A majority of the members of the board currently serving shall  
10 constitute a quorum for the transaction of any business and for the exercise of  
11 any power or function of the agency. No vacant office shall be included in the  
12 determination of the number of members of the board necessary to establish a  
13 quorum.

14                    (3) No vacancy in the board shall impair the rights of a quorum of the  
15 board to exercise any power or function of the corporation.

16                    (4) Action may be taken by the board upon an affirmative vote of a  
17 majority of the members present.

18                    F. The corporation shall be domiciled in Baton Rouge.

19                    G. The corporation shall adopt bylaws for its own governance, provided  
20 that such bylaws shall not conflict with any of the provisions of this Chapter or  
21 with any other law applicable to public bodies or agencies.

22                    H. No member of the board of directors shall be charged personally with  
23 any liability whatsoever by reason of any act or omission committed or suffered  
24 in the performance of his duties as member of the board or with respect to the  
25 operations of the corporation, but any act, liability for omission or obligation  
26 of a member in the performance of his duties or with respect to the operations  
27 of the corporation shall extend to the whole of the property of the corporation,  
28 or so much thereof as may be necessary or available to discharge such liability  
29 or obligation, and not otherwise.

1           **I. If any member of the board of directors, officer, or employee of the**  
2           **corporation shall have an interest, either direct or indirect, in any contract to**  
3           **which the corporation is, or is to be, a party, or in any lending institution**  
4           **requesting a loan from, or offering to sell insured mortgage loans to the**  
5           **corporation, such interest shall be disclosed to the corporation in writing and**  
6           **shall be set forth in the minutes of the corporation.**

7           **J. Fiscal matters.**

8           **(1) The corporation shall operate from self-generated revenues and shall**  
9           **be a budget unit of the state.**

10          **(2) The corporation may receive state appropriations and the**  
11          **expenditure of such appropriated funds shall be subject to budgetary controls**  
12          **or authority of the Division of Administration.**

13          **(3) The corporation shall establish an operating budget for the use of its**  
14          **revenues, subject to approval by a two-thirds vote of the board of directors of**  
15          **the corporation.**

16          **(4) The fiscal year for the corporation shall run concurrently with the**  
17          **fiscal year of the state.**

18          **(5) Any budget adopted shall be effective for that fiscal year.**

19          **(6) The corporation shall adhere to the requirements of R.S. 39:71, et**  
20          **seq.**

21          **§600.90. Powers and duties of the corporation**

22          **A. The corporation shall have the powers necessary or convenient to**  
23          **carry out and effectuate the purposes and provisions of this Chapter, including**  
24          **the following powers in addition to all other powers granted by other provisions**  
25          **of this Chapter:**

26          **(1) The corporation may sue and be sued in its own name.**

27          **(2) The corporation may establish a seal and alter the same at its**  
28          **pleasure.**

29          **(3) The corporation may adopt bylaws for the internal organization and**



1           government of the corporation.

2           (4) The corporation may make and execute contracts and all other  
3           instruments necessary or convenient for the exercise of its powers and functions  
4           under this Chapter with any federal or state governmental agency, public or  
5           private corporation, lending institution or other entity or person.

6           (5) The corporation may accept donations of movable or immovable  
7           property from any source and receive appropriations from the legislature or  
8           financial assistance or subsidies from the federal or state government.

9           (6) The corporation may, subject to the rights of holders of bonds of the  
10          corporation, renegotiate, refinance or foreclose on any mortgage or commence  
11          any action or protect or enforce any right or benefit conferred upon the  
12          corporation by any law, mortgage, contract or other agreement and bid for and  
13          purchase such property at any foreclosure or at any other sale or otherwise  
14          acquire or take possession of any such property; and in such event the agency  
15          may complete, administer, pay the principal of and interest on any obligation  
16          incurred in connection with such property, dispose of and otherwise deal with  
17          such property in such manner as may be necessary or desirable to protect the  
18          interest of the corporation or of holders of its bonds therein.

19          (7) The corporation may procure or provide for the procurement of  
20          insurance or reinsurance against any loss in connection with its property or  
21          operations, including but not limited to, insurance, reinsurance or other  
22          guarantees from a federal or state governmental agency or private insurance  
23          company for the payment of any bonds issued by the corporation or bonds,  
24          notes, or any other obligations or evidences of indebtedness issued or made by  
25          any lending institution or other entity or person or insurance or reinsurance  
26          against loss with respect to mortgages or mortgage loans, including the power  
27          to pay premiums on such insurance or reinsurance.

28          (8) The corporation may insure, reinsure, or cause to be insured or  
29          reinsured mortgage loans or mortgages on residential housing, to receive

1 premiums on such insurance or reinsurance, and to establish reserves for losses,  
2 and to participate in the insurance or reinsurance of mortgage loans or  
3 mortgages on residential housing with the federal or state government.

4 (9) The corporation may enter into agreements and contracts with  
5 persons and entities including, but not limited to, the federal or state  
6 government or its subdivisions, agencies or instrumentalities, or with  
7 mortgagors or lending institutions.

8 (10) The corporation may undertake and carry out or authorize the  
9 completion of studies and analyses of housing conditions and needs within the  
10 state and ways of meeting such needs, to make such studies and analyses  
11 available to the public and to the housing industry, and to engage in research  
12 to disseminate information on housing, in coordination with the Division of  
13 Administration, office of community development.

14 (11) The corporation may accept federal, state, or private financial or  
15 technical assistance; comply with any conditions for such assistance; and  
16 become a "co-insurer" with the United States Department of Housing and  
17 Urban Development or other appropriate federal agency for housing finance  
18 programs.

19 (12) The corporation may collect fees and charges in connection with its  
20 loans, insurance, commitments, and services including, but not limited to,  
21 reimbursement of costs of issuing bonds, service charges, and insurance  
22 premiums.

23 (13) The corporation may purchase secured loans or make lending  
24 commitments to purchase or sell construction or mortgage loans with respect  
25 to residential housing; make secured loans to lending institutions, including  
26 commitments therefor, with respect to the making of construction or mortgage  
27 loans by lending institutions for residential housing.

28 (14) The corporation may acquire or contract to acquire from any  
29 person, firm, corporation, municipality, federal or state agency, by grant,

1 purchase or otherwise, movable or immovable property or any interest therein;  
2 to own, hold, clear, improve, lease, construct, or rehabilitate, and to sell, invest,  
3 assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or  
4 encumber the same, subject to the rights of holders of the bonds of the agency,  
5 at public or private sale, with or without public bidding.

6 (15) The corporation may borrow money, issue bonds and provide for  
7 the rights of the lenders or holders thereof.

8 (16) The corporation may, subject to the rights of holders of the bonds  
9 of the agency, consent to any modification with respect to the rate of interest,  
10 time payment of any installment of principal or interest, security or other term  
11 of any loan, contract, mortgage, mortgage loan or commitment therefor or  
12 agreement of any kind to which the corporation is a party or beneficiary.

13 (17) The corporation may maintain an office, in addition to the office in  
14 Baton Rouge, at such place or places in the state as the corporation shall  
15 determine.

16 (18) In carrying out its functions under this Chapter, the corporation  
17 shall accomplish the following:

18 (a) The corporation shall adopt rules and regulations which shall require  
19 fair, impartial, and equitable treatment of all lending institutions by the  
20 corporation.

21 (b) Such rules and regulations shall insure that favoritism shall not be  
22 an element in the allocation of services by the corporation and that objective  
23 standards and criteria shall control and govern access to the allocation of  
24 services and functions authorized by this Chapter.

25 (c) The board of commissioners of the corporation shall establish policy  
26 for housing finance for all units, divisions, agencies, public corporations, and  
27 instrumentalities of the state involved directly or indirectly in financing single  
28 family or multi-family housing.

29 (19) The corporation may purchase secured loans or make lending

1 commitments to purchase loans on multi-family housing projects under such  
2 guidelines, rules, and restrictions as shall be adopted by the corporation.

3 (20) The corporation is authorized to sell residential loans purchased by  
4 it or by others either singly or in "packages" or pools to investors, including the  
5 retirement plans and trusts established for the employees of the state and its  
6 subdivisions, agencies, instrumentalities, and units of government which may  
7 be authorized to purchase residential first mortgages for investment purposes;  
8 however, all such mortgage loans purchased by the corporation for resale shall  
9 have been made on real estate in the state.

10 (21) Notwithstanding any provisions of this Chapter or any other law to  
11 the contrary, specifically R.S. 12:202.1, the corporation may create or cause to  
12 be created such nonprofit corporations as may be necessary or expedient to  
13 participate in housing programs of the federal government or its agencies and  
14 instrumentalities.

15 (22) Notwithstanding the provisions of this Chapter or any other law to  
16 the contrary, specifically R.S. 12:202.1, the corporation may create or cause to  
17 be created such nonprofit corporations as may be necessary or desirable to  
18 establish housing equity funds, the purpose of which shall be to direct the  
19 investment of capital primarily from Louisiana residents to residential housing  
20 developments qualifying under Section 42 of the Internal Revenue Code of 1986  
21 for low income housing credits.

22 (23) The corporation shall administer the federal grants for energy  
23 assistance and weatherization services for low-income persons.

24 (24) The corporation shall administer the Louisiana Housing Trust  
25 Fund.

26 (25) Notwithstanding any provisions of this Chapter or any other law to  
27 the contrary, the corporation is authorized to:

28 (a) Sponsor a statewide community housing development organization  
29 to partnership with or to expand the capacity of local nonprofit organizations

1 in limited resource communities and to develop and manage affordable  
2 residential rental housing in partnership with such local nonprofit  
3 organizations.

4 (b) Originate and fund second mortgage loans to persons or households  
5 of very low, low, or moderate income as defined by the United States  
6 Department of Housing and Urban Development.

7 (c) Finance directly pools of loans to public housing authorities as  
8 established under the Louisiana Housing Authorities Law, contained in R.S.  
9 40:381 et seq.

10 (d) Establish one or more subsidiaries to carry out the purposes of this  
11 Chapter.

12 (26)(a) Notwithstanding any provisions of law to the contrary, the  
13 corporation is authorized and required to assume administration or  
14 management of disaster recovery programs funded by the Department of  
15 Housing and Urban Development Community Development Block Grants as  
16 designated by the governor.

17 (b) In the event that a state agency has contracts in place for the purpose  
18 of the implementation of such programs, the agency may transfer to the  
19 corporation the contracts or the portion of the contracts related to the programs  
20 transferred.

21 (27) Notwithstanding any provisions of law to the contrary, the following  
22 programs in the Department of Children and Family Services shall be  
23 transferred to the agency:

24 (a) Louisiana Emergency Shelter Grants program.

25 (b) Rapid Re-housing program.

26 (28) The corporation shall have all the powers and duties in the  
27 Louisiana Housing Authorities Law pursuant to R.S. 40:381, et seq.

28 B. The corporation may promulgate rules, regulations, or such other  
29 procedures for the coordination of all state-administered housing programs.

1 Notwithstanding any provisions of this Chapter or any other provision of the  
2 law to the contrary, every department, agency, or instrumentality of the state  
3 administering any federal or state housing resource shall provide assistance to  
4 the corporation, including but not limited to, information, technical assistance,  
5 and personnel of such department, agency, or instrumentality, which is being  
6 or may be used to provide decent, safe, sanitary, and affordable housing to the  
7 residents of the state in order to accomplish the goals and to comply with the  
8 provisions of this Chapter.

9 C. The Louisiana Housing Corporation is authorized and directed to  
10 cooperate and coordinate with units of general local government, local public  
11 housing authorities, and other instrumentalities of local government, including  
12 but not limited to public trusts and local nonprofit housing corporations, in  
13 developing a comprehensive plan and housing strategy as required by the  
14 Department of Housing and Urban Development. Such plan shall be submitted  
15 to the House Committee on Municipal, Parochial and Cultural Affairs and the  
16 Senate Committee on Local and Municipal Affairs for review within thirty days  
17 of its completion.

18 D.(1) The Louisiana Housing Corporation shall submit to the House  
19 Committee on Municipal, Parochial and Cultural Affairs and the Senate  
20 Committee on Local and Municipal Affairs each Comprehensive Housing  
21 Affordability Strategy (CHAS) and any amendment thereto prepared by or on  
22 behalf of the state and units of local government pursuant to 24 CFR Part 91 for  
23 review within thirty days of their completion.

24 (2) Each CHAS shall contain a statement identifying the resources  
25 reasonably expected to be made available from the United States Department  
26 of Housing and Urban Development, other federal or state and local  
27 governments for rental assistance, homeless assistance, production of new units,  
28 rehabilitation of existing units, acquisition of existing units and any other  
29 assistance provided to carry out the following purposes of the Cranston-

1           **Gonzales National Affordable Housing Act:**

2                   **(a) To help families not owning a home to save for a down payment for**  
3                   **the purchase of a home.**

4                   **(b) To retain, wherever practical, as housing affordable to low-income**  
5                   **families, those dwelling units produced for such purpose with federal assistance.**

6                   **(c) To extend and strengthen partnerships among all levels of**  
7                   **government and the private sector, including for-profit and nonprofit**  
8                   **organizations, in the production and operation of housing affordable to low-**  
9                   **income and moderate-income families.**

10                   **(d) To expand and improve federal rental assistance for very low-income**  
11                   **families.**

12                   **(e) To increase the supply of supportive housing, which combines**  
13                   **structural features and services needed to enable persons with special needs to**  
14                   **live with dignity and independence.**

15           **§600.91. Purchase of mortgage loans**

16                   **A. The corporation may purchase, or contract to purchase, insured**  
17                   **mortgage loans with respect to residential housing from lending institutions, at**  
18                   **such prices and upon such terms and conditions as it shall determine by rules**  
19                   **or regulations adopted by the board of directors. All lending institutions are**  
20                   **authorized to sell insured mortgage loans to the corporation in accordance with**  
21                   **the provisions of this Chapter and the rules and regulations of the corporation.**

22                   **B. The corporation may require as a condition of purchase of any**  
23                   **insured mortgage loan from a lending institution that the lending institution**  
24                   **represent and warrant to the corporation all of the following:**

25                           **(1) The unpaid balance of the mortgage loan and the interest rate**  
26                           **thereon have been accurately stated to the agency and that the interest rate is**  
27                           **not usurious.**

28                           **(2) The amount of the unpaid principal balance of the mortgage loan is**  
29                           **justly due and owing in accordance with the terms thereof.**

1           (3) The lending institution has no notice of the existence of any  
2           counterclaim, offset or defense asserted by the mortgagor or his successor in  
3           interest.

4           (4) The mortgage loan is evidenced by a note and a mortgage which has  
5           been properly recorded in the parish in which the immovable property is  
6           situated.

7           (5) The mortgage constitutes a valid first lien on the immovable  
8           property described to the agency, subject to property taxes not yet due,  
9           installments of assessments not yet due, and such servitudes, encumbrances or  
10          restrictions which do not adversely affect to a material degree the use or value  
11          of the immovable property or the improvements thereon.

12          (6) The mortgage loan when made was lawful under federal or state law,  
13          or both, whichever governed the making of the loan, and would be lawful on the  
14          date of purchase by the agency if made by the lending institution on that date  
15          in the amount of the unpaid principal balance.

16          (7) The mortgagor is not now in default in the payment of any  
17          installment of principal or interest, escrow funds, property taxes or otherwise  
18          in the performance of his obligations under the mortgage loan documents and  
19          has not to the knowledge of the lending institution been in default in the  
20          performance of any such obligation for a period of longer than sixty days during  
21          the life of the mortgage.

22          (8) The improvements to the mortgaged property are covered by a valid  
23          and current policy of insurance, in full force and effect, issued by an insurance  
24          company authorized to issue such policies in the state and providing fire and  
25          extended coverage in an amount not less than the outstanding principal balance  
26          of the mortgage loan or the maximum insurable value of the mortgaged  
27          property, whichever is greater.

28          (9) The mortgage loan meets the prevailing investment quality standards  
29          for mortgage loans of that type in the state and is an insured mortgage loan.



1            C. A lending institution shall be liable to the corporation for any  
2            damages suffered by the corporation by reason of the untruth of any  
3            representation or the breach of any warranty and, in the event that any  
4            representation shall prove to be untrue when made or in the event of any breach  
5            of warranty, the lending institution at the option of the agency shall repurchase  
6            the mortgage loan for the original purchase price, adjusted for amounts  
7            subsequently paid thereon and for damages incurred by the corporation, as the  
8            corporation may determine.

9            D. The corporation may require the recording of an assignment of any  
10           mortgage loan or mortgage purchased by it from a lending institution. The  
11           corporation shall not be required to inspect or take possession of the mortgage  
12           loan documents if the lending institution from which the mortgage loan is  
13           purchased by the corporation shall enter into a contract with the corporation  
14           to service such mortgage loan and to account to the corporation regarding such  
15           mortgage loan.

16           E. If the corporation purchases a mortgage loan from a lending  
17           institution, the corporation may contract with that or another lending  
18           institution to act as servicing agent for the corporation for the collection of  
19           mortgage loan payments from the mortgagor and for the exercise of the rights  
20           and the discharge of the responsibilities provided for in the mortgage loan  
21           documents and federal and state law.

22           F. To the extent that any provisions of this Section may be inconsistent  
23           with any provision of law of the state governing lending institutions, the  
24           provisions of this Section shall control.

25           G. Notwithstanding anything in this Chapter or in any other law to the  
26           contrary, the corporation may directly fund insured mortgage loans in  
27           connection with a federal program if benefits provided by such program would  
28           not otherwise be made available within the state.

29           §600.92. Loans to lending institutions

1           **A. (1) The corporation may make, or contract to make, secured loans to**  
2           **lending institutions at such interest rates, terms and conditions as it shall**  
3           **determine by rules or regulations adopted by the board of directors.**

4           **(2)All lending institutions are authorized to borrow funds from the**  
5           **corporation in accordance with the provisions of this Chapter and the rules and**  
6           **regulations of the corporation.**

7           **(3) The corporation shall require that the proceeds of its loans to lending**  
8           **institutions or an equivalent amount shall be used by such lending institutions**  
9           **to make mortgage loans with respect to residential housing located within the**  
10           **state, subject to such terms and conditions as the corporation may prescribe.**

11           **B. The corporation shall require that each lending institution which is**  
12           **the recipient of a loan pursuant to this Section shall issue and deliver to the**  
13           **corporation an evidence of its indebtedness to the corporation, which shall**  
14           **constitute a general obligation of such lending institution and shall bear such**  
15           **date or dates, shall mature at such time or times, shall be subject to such**  
16           **prepayment, and shall contain such other provisions consistent with this Section**  
17           **as the corporation shall determine.**

18           **C. Notwithstanding any other provisions of this Section to the contrary,**  
19           **the interest rate or rates and other terms of such loans to lending institutions**  
20           **made from the proceeds of any issue of bonds of the corporation shall be at least**  
21           **sufficient to assure the payment of said bonds and the interest thereon as the**  
22           **bonds become due.**

23           **D. The corporation shall require that loans made to lending institutions**  
24           **pursuant to this Section shall be additionally secured as to payment of both**  
25           **principal and interest by a pledge of collateral security in such amounts and**  
26           **consisting of such obligations, securities or mortgages as the corporation shall**  
27           **determine to be necessary to assure the payment of such loans and the interest**  
28           **thereon as the same become due.**

29           **E. (1) The corporation may require that collateral for loans to lending**

1 institutions be deposited with a bank, trust company or other financial  
2 institution acceptable to the corporation located either within or outside the  
3 state as designated by the corporation.

4 (2) In the absence of such requirement, a lending institution that is the  
5 recipient of a loan from the corporation shall enter into an agreement with the  
6 corporation containing such provisions as the corporation shall deem necessary  
7 or desirable to adequately identify and maintain such collateral, to service such  
8 collateral, and to require that such lending institution shall hold such collateral  
9 as agent for the corporation and shall be accountable to the corporation as the  
10 trustee of an express trust for the application and disposition thereof and the  
11 income therefrom solely to the uses and purposes in accordance with the  
12 provisions of such agreement.

13 (3) A copy of each such agreement and any revisions or supplements  
14 thereto shall be filed with the secretary of state, and no further filing or other  
15 action under any other law of the state shall be required to perfect the security  
16 interest of the corporation in such collateral or any additions thereto or  
17 substitutions therefor, and the lien and trust for the benefit of the corporation  
18 so created shall be binding from and after the time made against all parties  
19 having claims of any kind in tort, contract, or otherwise against such lending  
20 institution.

21 (4) The corporation may also establish such additional requirements as  
22 it shall deem necessary with respect to the pledging, assigning, setting aside or  
23 holding of such collateral and the making of substitutions therefor or additions  
24 thereto and the disposition of income and receipts therefrom.

25 F. The corporation shall require lending institutions that are the  
26 recipients of loans from the corporation to submit evidence satisfactory to the  
27 agency that the lending institution has used the proceeds of such loans by the  
28 corporation, or any equivalent amount, to make mortgage loans with respect to  
29 residential housing and that the lending institution has complied with the terms

1 and conditions of such loans as prescribed by the corporation. In connection  
2 therewith, the corporation, through its employees or agents, may inspect the  
3 books and records of such lending institution.

4 G. The corporation may require as a condition of any loans to lending  
5 institutions such representations and warranties as it shall determine to be  
6 necessary or desirable to service such loans and implement the provisions of this  
7 Section.

8 H. Subject to the rights of holders of bonds of the agency, the  
9 corporation may collect, enforce the collection of, and foreclose on any  
10 collateral securing its loans to lending institutions and acquire or take  
11 possession of such collateral and sell the same at private or public sale, with or  
12 without public bidding, and otherwise deal with such collateral as may be  
13 necessary to protect the interest of the corporation therein.

14 I. To the extent that any provisions of this Section may be inconsistent  
15 with any provision of the law of the state governing lending institutions, the  
16 provisions of this Section shall control.

17 §600.93. Bonds of the corporation

18 A. The agency is hereby authorized and empowered to issue from time  
19 to time bonds, notes, renewal notes, refunding bonds, interim certificates,  
20 certificates of indebtedness, debentures, or other obligations or evidences of  
21 indebtedness (hereinafter referred to collectively as "bonds") whether the  
22 interest thereon is subject to taxation under the Internal Revenue Code of 1986  
23 as now enacted or subsequently amended or is exempt therefrom to provide  
24 funds for and to fulfill and achieve its authorized public functions or corporate  
25 purposes as set forth in this Chapter including but not limited to the following  
26 purposes:

27 (1) The purchase of insured mortgage loans from lending institutions.

28 (2) The making of secured loans to lending institutions.

29 (3) For construction of residential buildings.

1           **(4) For the purchase of residential loans previously made and secured**  
2           **by first mortgages and for the purchase of securities fully collateralized by first**  
3           **mortgages on residential housing.**

4           **(5) For the purchase of "pre-packaged" residential first mortgage loans**  
5           **for investment or resale.**

6           **(6) For the payment of interest on bonds of the corporation, the**  
7           **establishment of reserves to secure such bonds, the establishment of reserves**  
8           **with respect to the insurance of mortgage loans for residential housing.**

9           **(7) For all other expenditures of the corporation incident to and**  
10           **necessary or convenient to carry out its public functions or corporate purposes.**

11           **B. Except as may otherwise be provided by the corporation, all bonds**  
12           **issued by the agency shall be negotiable instruments and may be general**  
13           **obligations of the agency, secured by the full faith and credit of the agency and**  
14           **payable out of any money, assets or revenues of the agency or from any other**  
15           **sources whatsoever that may be available to the agency.**

16           **C. The bonds of the corporation shall be solely the obligations of the**  
17           **corporation. In no event shall any bonds of the corporation constitute an**  
18           **obligation, either general or special, of the state, any municipality or any other**  
19           **political subdivision of the state or constitute or give rise to a pecuniary liability**  
20           **of the state, any municipality or any other political subdivision of the state; nor**  
21           **shall the agency have the power to pledge the general credit or taxing power of**  
22           **the state, any municipality or any other political subdivision of the state.**

23           **D. Bonds shall be authorized, issued and sold by a resolution or**  
24           **resolutions of the agency adopted as provided in this Chapter. Such bonds may**  
25           **be of such series, bear such date or dates, mature at such time or times, bear**  
26           **interest at such rate or rates, payable at such time or times, be in such**  
27           **denominations, be sold at such price or prices, at public or private negotiated**  
28           **sale, after advertisement as is provided for in R.S. 39:1421 through R.S.**  
29           **39:1427, be in such form, either in coupon form, registered as to principal only**

1 or fully registered without coupons, carry such registration and exchangeability  
2 privileges, be payable at such place or places, be subject to such terms of  
3 redemption, and be entitled to such priorities on the income, revenue and  
4 receipts of, or available to, the agency as may be provided by the agency in the  
5 resolution or resolutions providing for the issuance and sale of the bonds of the  
6 agency.

7 E. The bonds of the agency shall be signed by such commissioners or  
8 officers of the agency, by either manual or facsimile signatures, as shall be  
9 determined by resolution or resolutions of the agency, and shall have impressed  
10 or imprinted thereon the seal of the agency, or a facsimile thereof. The coupons  
11 attached to coupon bonds of the agency shall bear the facsimile signature of  
12 such commissioner or officer of the agency as shall be determined by resolution  
13 or resolutions of the agency.

14 F. Any bonds of the agency may be validly issued, sold and delivered,  
15 notwithstanding that one or more of the commissioners or officers of the agency  
16 signing such bonds, or whose facsimile signature or signatures may be on the  
17 bonds or on coupons shall have ceased to be such commissioner or officer of the  
18 agency at the time such bonds shall actually have been delivered.

19 G. Bonds of the agency may be sold in such manner and from time to  
20 time as may be determined by the agency to be most beneficial, and the agency  
21 may pay all expenses, premiums, or commissions which it may deem necessary  
22 or advantageous in connection with the issuance and sale thereof, subject to the  
23 provisions of this Chapter.

24 H. Bonds of the agency may be issued under and subject to such terms,  
25 covenants or conditions, consistent with this Chapter, as may be determined by  
26 resolution or resolutions of the agency to be necessary or desirable, including,  
27 but not limited to all of the following:

28 (1) The establishment of a trust indenture or indentures by and between  
29 the agency and a corporate trustee, which may be any bank or trust company

1 having the powers of a trust company, located within or without the state, that  
2 is acceptable to the agency.

3 (a) Such trust indenture may provide for the pledging or assigning of  
4 any assets or income from assets to which or in which the agency has any rights  
5 or interest, and may further provide for such other rights and remedies  
6 exercisable by the trustee as may be proper for the protection of the holders of  
7 the bonds of the agency, and not otherwise in violation of law.

8 (b) Such agreement may provide for the restriction of the rights of any  
9 individual holder of bonds of the agency.

10 (c) Such trust indenture may provide that all expenses incurred in  
11 carrying out the provisions of such trust indenture may be treated as a part of  
12 the cost of operation of the agency.

13 (d) The trust indenture may contain any further provisions which are  
14 reasonable to delineate further the respective rights, duties, safeguards,  
15 responsibilities and liabilities of the agency.

16 (2) The pledge or creation of a lien, to the extent provided by resolution  
17 or resolutions of the agency, on all or any part of the money, assets or revenues  
18 of the agency or on any money or assets held by others for the benefit of the  
19 agency to secure the payment of such bonds.

20 (3) Provisions for the custody, collection, securing, investment and  
21 payment of any money of or due to the agency.

22 (4) The creation or funding of reserves or sinking funds and the  
23 regulation or disposition thereof.

24 (5) Limitations on the purposes to which the proceeds of the sale of any  
25 issue of bonds then or thereafter to be issued may be applied.

26 (6) Limitations on the issuance of additional bonds and on the refunding  
27 of outstanding or other bonds.

28 (7) The procedure, if any, by which the terms of any contract with the  
29 holders of bonds of the agency may be amended or abrogated, the amount of

1 bonds the holders of which must consent thereto, and the manner in which such  
2 consent may be given.

3 (8) The creation of special funds into which any money of the agency  
4 may be deposited.

5 (9) The vesting in a trustee or trustees of such properties, rights, powers  
6 and duties in trust as the agency may by resolution determine.

7 (10) The definition of the acts or omissions which shall constitute a  
8 default in the obligations and duties of the agency and providing for the rights  
9 and remedies of the holders of bonds of the agency in the event of such default  
10 in accordance with the provisions of the Chapter and the general laws of the  
11 state.

12 (11) Any other matters of like or different character, which in any way  
13 affect the security and protection of the bonds and the rights of the holders  
14 thereof.

15 I. The agency is hereby granted the total allocation for qualified  
16 mortgage bonds for state housing finance agency issuers pursuant to the federal  
17 Mortgage Subsidy Bond Tax Act of 1980, 26 U.S.C. 103A. Any allocation made  
18 pursuant to the this act to issuers other than state housing finance agency issues  
19 which have not been sold by September 1 of each year may be allocated, in  
20 whole or in part, by the governor of the state of Louisiana to the agency.

21 §600.94. Statutory pledge

22 Any pledge made by the agency shall be valid and binding from the time  
23 when the pledge is made. The money, assets or revenues of the agency so  
24 pledged and thereafter received by the agency shall immediately be subject to  
25 the lien of such pledge without any physical delivery thereof or further act, and  
26 the lien of any such pledge shall be valid and binding as against all parties  
27 having claims of any kind in tort, contract, or otherwise against the agency,  
28 irrespective of whether such parties have notice thereof. Neither the resolution  
29 or any other instrument by which a pledge is created need be recorded or filed



1 in order to establish and perfect a lien or security interest in the property so  
2 pledged.

3 §600.95. Refunding bonds

4 A. Subject to the rights of the holders of the bonds of the agency, the  
5 agency is hereby authorized and empowered to issue from time to time its bonds  
6 for the purpose of refunding any bonds of the agency then outstanding, together  
7 with the payment of any redemption premiums thereon and interest accrued or  
8 to accrue to the date of redemption of such outstanding bonds.

9 B. All such refunding bonds of the agency shall be issued, sold or  
10 exchanged, and delivered, shall be secured, and shall be subject to the  
11 provisions of this Chapter in the same manner and to the same extent as any  
12 other bonds issued by the agency pursuant to this Chapter, unless otherwise  
13 determined by resolution of the agency.

14 C. Refunding bonds issued by the agency as herein provided may be sold  
15 or exchanged for outstanding bonds of the agency and, if sold, the proceeds  
16 thereof may be applied, in addition to any other authorized purposes, to the  
17 purchase, redemption or payment of such outstanding bonds.

18 D. Pending the application of the proceeds of any such refunding bonds,  
19 with any other available funds, to the payment of the principal, accrued interest,  
20 and any redemption premiums, if any, on the bonds being refunded, and, if so  
21 provided or permitted in the trust indenture or the resolution of the agency  
22 authorizing the issuance of such refunding bonds, to the payment of any interest  
23 on such refunding bonds and any expenses in connection with such refunding,  
24 such proceeds may be invested in direct obligations of, or obligations the  
25 principal and interest on which are unconditionally guaranteed by, the United  
26 States which shall mature or which shall be subject to redemption by the  
27 holders thereof, at the option of such holders, not later than the respective dates  
28 when the proceeds, together with the interest accruing thereon, will be required  
29 for the purposes intended.

1           **§600.96. Liability of commissioners, officers or employees of the agency**

2           **The commissioners, officers or employees of the agency, or any other**  
3           **person executing the bonds of the agency shall not be personally liable on the**  
4           **bonds or be subject to any personal liability or accountability by reason of the**  
5           **issuance, sale or delivery thereof while acting within the scope of their**  
6           **authority.**

7           **§600.97. Purchase of bonds by corporation**

8           **Subject to the rights of holders of bonds, the agency shall have the power**  
9           **out of any funds available therefor, to purchase bonds of the agency, which shall**  
10           **thereupon be cancelled, at a price not exceeding either of the following:**

11           **(1) If the bonds are then subject to optional redemption, the optional**  
12           **redemption price then applicable plus accrued interest to the next interest**  
13           **payment date thereon.**

14           **(2) If the bonds are not then subject to optional redemption, the optional**  
15           **redemption price applicable on the first date after such purchase upon which**  
16           **the notes or bonds become subject to optional redemption plus accrued interest**  
17           **to such date.**

18           **§600.98. Approval of issuance of bonds by State Bond Commission**

19           **The approval of the State Bond Commission shall be obtained prior to**  
20           **the issuance of any bonds of the agency. No notice to, or consent or approval**  
21           **by any other governmental body or public officer shall be required as a**  
22           **prerequisite to the issuance, sale or delivery of any bonds of the agency, or to**  
23           **the making of any loans by the agency to lending institutions, or to the purchase**  
24           **of insured mortgage loans by the agency from lending institutions, or to the**  
25           **insurance by the agency of any mortgage loan with respect to residential**  
26           **housing, or to the exercise of any other public function or corporate power of**  
27           **the agency, except as is expressly provided in this Chapter.**

28           **§600.99. Exemption from taxes**

29           **A. It is hereby determined that the creation of the agency and the**

1 carrying out of its public functions and corporate purposes is, in all respects, a  
2 public and governmental purpose for the benefit of the people of the state, and  
3 for the improvement of their health, safety, welfare, comfort and security and  
4 that said functions and purposes are public purposes and that the agency will  
5 be performing an essential governmental function in the exercise of the powers  
6 conferred upon it by this Chapter.

7 B. The money, assets, revenues and operations of the agency shall be  
8 exempt from all taxation by the state or any of its political subdivisions.

9 C. The agency shall not be required to pay any recording fee or transfer  
10 tax of any kind on account of instruments recorded by it or on its behalf.

11 D. All bonds, notes, renewal notes, refunding bonds, interim certificates,  
12 certificates of indebtedness, debentures or other obligations or evidences of  
13 indebtedness, hereinafter collectively referred to as "bonds", authorized to be  
14 issued by the agency pursuant to the provisions of this Chapter, together with  
15 interest thereon, income therefrom, and gain upon the sale thereof shall be  
16 exempt from all state and local taxes.

17 §600.100. Covenant of state

18 In consideration of the acceptance of and payment for the bonds of the  
19 agency by the holders thereof, the state does hereby pledge to and agree with the  
20 holders of any bonds of the agency issued pursuant to the provisions of this  
21 Chapter, that the state will not impair, limit or alter the rights hereby vested in  
22 the agency to fulfill the terms of any agreements made with the holders of the  
23 bonds of the agency, or in any way impair the rights or remedies of such holders  
24 thereof, until such bonds, together with the interest thereon, with interest on  
25 any unpaid installments of interest, and all costs and expenses in connection  
26 with any action or proceedings by or on behalf of such holders, are fully met  
27 and discharged. The agency is authorized to include this pledge and agreement  
28 of the state in any agreement with the holders of bonds of the agency.

29 §600.101. Trust funds

1           All monies received by the agency pursuant to the provisions of this  
2           Chapter shall be deemed to be trust funds, to be held and applied solely to or for  
3           the public functions and corporate purposes of the agency.

4           §600.102. Bonds as legal investment and security for public deposits

5           A. The state and all public officers, any parish or municipality, or other  
6           subdivision or instrumentality of the state, any bank, banker, trust company,  
7           savings bank and institution, building and loan association, savings and loan  
8           association, investment company or any person carrying on a banking or  
9           investment business, any insurance company or business, insurance associations  
10           and any person carrying on an insurance business, and any executor,  
11           administrator, curator, trustee and other fiduciary, and retirement system or  
12           pension fund may legally invest any sinking funds, monies, or other funds  
13           belonging to them or within their control in any bonds issued by the agency  
14           pursuant to the provisions of this Chapter, and such bonds shall be authorized  
15           security for all public deposits.

16           B. It is the purpose of this Section to authorize such persons, firms,  
17           corporations, associations, political subdivisions and officers, or other entities,  
18           public or private, to use any funds owned or controlled by them, including, but  
19           not limited to, sinking, insurance, investment, retirement, compensation,  
20           pension and trust funds, and funds held on deposit, for the purchase of any such  
21           bonds of the agency, and that any such bonds shall be authorized security for  
22           all public deposits. However, nothing contained in this Section with regard to  
23           legal investments or security for public deposits shall be construed as relieving  
24           any such person, firm or corporation or other entity from any duty of exercising  
25           reasonable care in selecting securities.

26           §600.103. Accounts and audits

27           A. Subject to the provisions of any contract with the holders of its bonds,  
28           the agency shall establish a system of accounts.

29           B. The Legislative Auditor shall prepare an annual audit of the accounts

1 and operations of the agency.

2 C. The agency shall submit to the governor and to both houses of the  
3 legislature an annual report on the operations of the agency, together with a  
4 copy of the report of every audit of the books and accounts of the agency, within  
5 sixty days from the receipt thereof by the agency.

6 §600.104. Cooperation of state agencies

7 All state officers and agencies are authorized to render such services to  
8 the agency within their respective functions as may be requested by the agency.

9 §600.105. Suits to determine validity of bonds

10 Any suit to determine the validity of bonds of the agency shall be brought  
11 only in accordance with R.S. 13:5121 et seq.

12 §600.106. State appropriations or grants

13 The state may make grants or appropriations of money or property to  
14 the agency for the purpose of enabling it to carry out its public functions and  
15 corporate purposes.

16 §600.107. Termination of agency

17 A. The agency and its corporate and public existence shall continue until  
18 terminated by law, provided that no such law shall take effect so long as the  
19 agency shall have bonds outstanding, unless adequate provision has been made  
20 for the payment thereof.

21 B. Upon termination of the existence of the agency, all of its rights,  
22 money, assets and revenues in excess of its obligations shall pass to and be  
23 vested in the state.

24 §600.108. Construction of Chapter

25 This Chapter being necessary for the welfare of the state and its  
26 residents shall be liberally construed to effect the purposes thereof.

27 §600.109. Fees

28 A. The corporation may charge application fees, processing fees, closing  
29 costs, and mortgage and title insurance fees.

1           B. The corporation shall in accordance with the Administrative  
2           Procedure Act, R.S. 49:950, et seq., promulgate the schedule of fees to be  
3           charged by the corporation in connection with the programs administered by  
4           it. Such schedule shall be submitted for approval to the Joint Legislative  
5           Committee on the Budget.

6           §600.110. Mortgage foreclosure counseling

7           A.(1) The Louisiana Housing Corporation, hereinafter referred to as the  
8           agency, may establish a program to provide free mortgage foreclosure  
9           counseling and education to homeowners who have defaulted or are in danger  
10           of defaulting on the mortgages on their homes.

11           (2) If the agency establishes such a program, the agency may work with  
12           the office of financial institutions and the office of financial institutions shall  
13           cooperate with the agency to effectuate the purposes of this Section.

14           (3) The agency may enter into an agreement with any public, private, or  
15           nonprofit entity to carry out any part of the mortgage foreclosure counseling  
16           and education program.

17           (4) The program may include a central toll-free telephone number that  
18           homeowners may call to receive mortgage foreclosure counseling and education.

19           (5) The agency may award grants for the training of counselors who will  
20           provide mortgage foreclosure counseling and education from funds  
21           appropriated by the legislature for that purpose or any other funding available  
22           for that purpose.

23           (6) The agency may establish standards for the certification of  
24           counselors who will provide mortgage foreclosure counseling and education.

25           B. The program shall be funded through self-generated funds of the  
26           agency; however, the agency may solicit contributions and grants from the  
27           private sector, nonprofit entities, and the federal government to assist in  
28           carrying out the purposes of this Section.

29           C. The agency shall annually submit a report to the Senate Committee

1 on Commerce, Consumer Protection and International Affairs and the House  
2 Committee on Commerce on the operation of the mortgage foreclosure  
3 counseling and education program and shall include a summary of the  
4 mortgage foreclosure rates and trends in Louisiana and the United States.

5 Section 2. R.S. 42:1124.2 is hereby amended and enacted to read as follows:

6 §1124.2. Financial disclosure; certain elected officials; members of certain  
7 boards and commissions; ethics administrator

8 A. Each of the following, except a person who is required to file a  
9 financial statement pursuant to R.S. 42:1124, shall annually file a financial  
10 statement as provided in this Section:

11 \* \* \*

12 (5) Each member of the board of directors of the Louisiana Housing  
13 Corporation.

14 \* \* \*

15 Section 3. R.S. 36:769(J), Chapter 3-A. of Title 40 of the Louisiana Revised Statutes  
16 of 1950, comprised of R.S. 40:600.1 through 600.25.1 and Chapter 3-E. of Title 40 of the  
17 Louisiana Revised Statutes of 1950, comprised of R.S. 40:600.61 through 600.68 are hereby  
18 repealed in their entirety.

19 Section 4. A. On the effective date of this Act, the Louisiana Housing Finance  
20 Agency and the Road Home Corporation, also known as the Louisiana Land Trust, herein  
21 after collectively referred to as the "transferred agencies", shall be abolished and their  
22 functions transferred to the Louisiana Housing Corporation created by this Act. The creation  
23 of the Louisiana Housing Corporation under this Act shall not affect or impair in any manner  
24 contract rights enjoyed by the holders of any outstanding bonds of the transferred agencies  
25 to the extent required by such contract rights on the property subject to the payment of  
26 principal of and interest on such bonds shall continue to be levied provided, however, the  
27 Louisiana Housing Corporation shall assume all indebtedness of the transferred agencies.

28 B. The legislature hereby specifically states that this Act is in no way and to no  
29 extent intended to nor shall it be construed in any manner which will impair the contractual

1 or other obligations of the transferred agencies or of the state of Louisiana. It is hereby  
2 specifically provided that all obligations of the abolished agencies, whose powers, duties,  
3 functions, and responsibilities are transferred in accordance with this Act, hereafter shall be  
4 deemed to be the obligations of the Louisiana Housing Corporation and of its commissioners  
5 or officers to the same extent as if originally made by them. In like manner, and in order to  
6 prevent any violation of the provisions, terms, or conditions of any gift, donation, deed, will,  
7 trust, or other instrument or disposition by which property of any kind has been vested in the  
8 abolished agencies, or diversion from the purposes for which such property was thus vested,  
9 it is hereby specifically provided that each such instrument or disposition hereafter shall be  
10 deemed to have been vested in the Louisiana Housing Corporation and its commissioners  
11 or officers in the same manner and to the same extent as if originally so done.

12 C. The Louisiana Housing Corporation and its commissioners or officers shall be the  
13 successor in every way to each such agency or program in which transfer is provided for in  
14 this Act, including all of the obligations and debts of each such agency. All funds heretofore  
15 dedicated by or under authority of the constitution and laws of this state or any of its  
16 subdivisions to the payment of any bonds issued for construction or improvements for any  
17 institution or facility under the control of any such agency shall continue to be collected and  
18 dedicated to the payment of those bonds, unless under the constitution and laws such bonds  
19 are now being paid out of moneys in the Bond Security and Redemption Fund. In like  
20 manner, all other dedications and allocations of revenues and sources of revenues heretofore  
21 made, which are constitutional under the Louisiana Constitution of 1974, shall continue,  
22 until otherwise hereafter provided by the constitution, in the same manner, to the same  
23 extent, and for the same purposes as were provided prior to the enactment of this Act.

24 D. This Act shall not be construed or applied in any way which will prevent full  
25 compliance by the state, or any department, office, or agency thereof, with the requirements  
26 of any Act of the Congress of the United States or any regulation made thereunder by which  
27 federal aid or other federal assistance has been or hereafter is made available to this state,  
28 or any department, office, agency, or subdivision thereof, anything contained in this Act to  
29 the contrary notwithstanding, and such compliance hereafter shall be accomplished by the



1 commissioners or officers insofar as such compliance affects the transferred agencies in  
2 accordance with the provisions of this Act.

3 E. On the effective date of this Act, the transferred agencies shall be abolished and  
4 the Louisiana Housing Corporation shall be created. All unfinished business, references in  
5 laws and documents, employees, property, obligations, and books and records of the  
6 transferred agencies shall be transferred as provided in this Act. Upon the abolition of the  
7 transferred agencies, any pending or unfinished business shall be taken over and be  
8 completed by the Louisiana Housing Corporation with the same power and authorization as  
9 that of the transferred agencies and the Louisiana Housing Corporation shall be the successor  
10 in every way to the transferred agencies for the purpose of completing such business. Any  
11 reference in laws and documents to the transferred agencies shall be deemed to apply to the  
12 Louisiana Housing Corporation. Any legal proceeding to which the transferred agencies is  
13 a party and which is filed, initiated, or pending before any court on the effective date of this  
14 Act, and all documents involved in or affected by said legal proceeding, shall retain their  
15 effectiveness and shall be continued in the name of the Louisiana Housing Corporation. All  
16 further legal proceedings and documents in the continuation, disposition, and enforcement  
17 of such legal proceeding shall be in the name of the Louisiana Housing Corporation, and the  
18 Louisiana Housing Corporation shall be substituted for the transferred agencies without  
19 necessity for amendment of any document. This Act shall not be construed so as to impair  
20 the effectiveness of any rule or policy of the transferred agencies and any such rule or policy  
21 shall remain effective as provided therein or until changed as otherwise provided by law.  
22 This Act shall not be construed so as to impair the contractual or other obligations of the  
23 transferred agencies or of the state of Louisiana. All obligations of the transferred agencies  
24 shall be the obligations of the Louisiana Housing Corporation. The Louisiana Housing  
25 Corporation shall be the successor in every way to the transferred agencies, including all of  
26 its obligations and debts. All dedications and allocations of revenues and sources of revenues  
27 heretofore made shall continue in the same manner, to the same extent, and for the same  
28 purposes as were provided prior to the enactment of this Act, unless and until other provision  
29 is made therefor. This Act shall not be construed or applied in any way which will prevent

1 full compliance by the state, or any department, office, or agency thereof, with the  
2 requirements of any Act of the Congress of the United States or any regulation made  
3 thereunder by which federal aid or other federal assistance has been or hereafter is made  
4 available. All books, papers, records, money, actions, and other property of every kind,  
5 movable and immovable, real and personal, heretofore possessed, controlled, or used by the  
6 transferred agencies is hereby transferred to the Louisiana Housing Corporation. All  
7 employees heretofore engaged in the performance of duties of the transferred agencies,  
8 insofar as practicable and necessary are hereby transferred to the Louisiana Housing  
9 Corporation and shall continue to perform the duties heretofore performed, subject to  
10 applicable state civil service laws, rules, and regulations and other applicable laws. Subject  
11 to such laws, positions in the unclassified service shall remain in the unclassified service.

12 Section 5. A. In order to effect an orderly transfer of the programs, powers, duties,  
13 responsibilities, and functions as provided in this Act, the procedures to be followed for such  
14 purposes shall be set forth in this Section.

15 B. No later than six months from the effective date of this Act, the board of directors  
16 of the Louisiana Housing Corporation shall be appointed as provided for in this Act.

17 C. The full implementation of the transfer of programs, powers, duties,  
18 responsibilities, and functions necessary to implement the provisions of this Act shall be  
19 effective not later than six months from the effective date of this Act.

20 D.(1) On or after the effective date of this Act, the commissioner of administration,  
21 the president of the Senate or his designee, and speaker of the House of Representatives or  
22 his designee shall form a transition committee that shall be terminated no more than six  
23 months from the effective date of this Act.

24 (2) The transition committee shall determine such workable transition plans for the  
25 transfer of programs, powers, duties, responsibilities, and functions as shall be necessary to  
26 implement the provisions of this Act. Such plans shall include detailed procedures for such  
27 realignment, distribution, assignment, consolidation, and coordination of agencies, programs  
28 and functions designated within this Act. Such plans shall include detailed procedures for  
29 the transfer and utilization of positions, personnel, funds, office space, facilities, equipment,

1 and such other detail as is necessary to effectuate the purpose of this Act. The transition  
2 committee shall have the authority to establish subcommittees to report and make  
3 recommendations with respect to transition plans and their implementation.

4 Section 6. The Louisiana State Law Institute is hereby directed to change all  
5 references to the "Louisiana Housing Finance Agency", the "Road Home Corporation" or  
6 the "Louisiana Land Trust" to the "Louisiana Housing Corporation" throughout the  
7 Louisiana Revised Statute of 1950.

8 Section 7. This Act shall become effective upon signature by the governor or, if not  
9 signed by the governor, upon expiration of the time for bills to become law without signature  
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
12 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Mary Dozier O'Brien.

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#### DIGEST

Present law includes provisions regarding the Louisiana Housing Finance Authority, the Road Home Corporation, the Louisiana Land Trust, and the Louisiana Housing Corporation which together are charged with the responsibility of providing access to decent, safe, sanitary, and affordable housing.

Proposed law repeals all of the previous entities, charged with the responsibility of providing access to decent, safe, sanitary, and affordable housing and transfers that responsibility to the newly created Louisiana Housing Corporation.

Proposed law includes legislative findings regarding access to decent, safe, sanitary, and affordable residential housing and the definitions of terms used in the Chapter.

Proposed law provides for the creation of the Louisiana Housing Corporation and for its organization, including being governed by an appointed board of directors, and those appointed by the governor shall be subject to Senate confirmation.

Proposed law provides for the powers, duties, and procedures of the corporation.

Proposed law corporation shall have powers necessary to undertake and perform the purposes of the act, including, but not limited to the following:

1. To execute contracts of various types.
2. To sue and be sued.
3. To accept donations of both movable and immovable property.
4. To procure insurance and reinsurance.

5. To contract with state and federal government agencies and with mortgage and lending institutions.
6. To set and collect fees.
7. To own, hold, clear, improve, lease, sell, convey, and invest in immovable property.
8. To borrow money and issue bonds.

Proposed law requires the corporation to establish policy for housing finance for all entities involved in financing single family or multi-family housing.

Proposed law provides for the development of a plan for the realignment, distribution, assignment, consolidation, and cooperation of agencies and the procedures for the transfer of both programs and personnel involved in the agencies which are consolidated into the Louisiana Housing Corporation.

Proposed law provides that the corporation may sell residential loans and may package such loans for sale.

Proposed law provides for the Louisiana Housing Corporation to have all legal duties and powers to improve the access to decent, safe, sanitary, and affordable housing for residents of Louisiana.

Proposed law provides that the corporation may establish requirements for lending institutions that hold collateral and those that are recipients of loans from the corporation.

Proposed law provides procedures regulating the issuance of and the sale of such bonds as the corporation is authorized to issue.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 40:600.86-600.110; 42:1124.2; repeals R.S. 36:769(J), R.S. 40:600.1-600.25.1 and 40:600.61-600.68.)