

First Extraordinary Session, 2005

SENATE BILL NO. 93

BY SENATOR BROOME

FUNDS/FUNDING. Creates the Louisiana Habitat for Humanity Loan Purchase Program within the Louisiana Housing Finance Agency. (1/1/06)

AN ACT

To amend and reenact R.S. 40:600.6(A)(26)(b) and to enact R.S. 40:600.6(A)(4)(b)(x) and Chapter 3-C of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 40:600.27 and 600.28, relative to the Louisiana Housing Finance Agency; to create the Louisiana Habitat for Humanity Loan Purchase Program; to provide for the purposes, funding, and procedures of the loan purchase program; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:600.6(A)(26)(b) is hereby amended and reenacted, and R.S. 40:600.6(A)(4)(b)(x) and Chapter 3-C of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:600.27 and 600.28, are hereby enacted to read as follows:

§600.6. Powers and duties of the agency

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

* * *

(4)(a)

* * *

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph, the Administrative Procedure Act shall not apply to the agency with respect to:

* * *

(x) The Louisiana Habitat for Humanity Loan Purchase Program Act, except that upon adoption of rules and regulations relative to the program as further provided in Chapter 3-C of Title 40 of the Louisiana Revised Statutes of 1950, the agency shall submit such rules and regulations to the Joint Legislative Committee on the Budget for review.

* * *

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

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

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CHAPTER 3-C. LOUISIANA HABITAT FOR HUMANITY

LOAN PURCHASE PROGRAM

§600.27. Short title; purpose

A. This Chapter shall be known and may be cited as the "Louisiana Habitat for Humanity Loan Purchase Program Act."

B. The legislature hereby finds and declares that there exists in the state a need to assist low-income individuals and families in accessing and acquiring affordable housing and to provide for the development and construction of decent, safe, and affordable housing for low-income individuals and families such as currently is provided by Louisiana affiliates of Habitat for Humanity. The legislature further finds that the Louisiana Housing Finance Agency, hereinafter referred to as "LHFA," has the requisite powers and duties to

1 support and administer this program. Therefore, to address these needs, the
2 purposes of this Chapter shall be the following:

3 (1) To partner with Louisiana Habitat for Humanity affiliates, which are
4 constructing affordable housing for Louisiana citizens.

5 (2) To purchase homeowner loans from Habitat affiliates and thereby
6 provide more resources for such entities to serve more potential home buyers.

7 (3) To establish a revolving fund to provide a growing pool of monies to
8 support the partnership between LHFA and the Habitat affiliates.

9 §600.28. General provisions; trust fund

10 A. There is hereby established the Louisiana Habitat for Humanity
11 Loan Purchase Program, which shall provide the process and procedures by
12 which the Louisiana Housing Finance Agency shall assist in the provision of
13 affordable housing for Louisiana families by purchasing home loans from
14 Louisiana Habitat for Humanity affiliates.

15 B.(1) The Louisiana Habitat for Humanity Trust Fund, hereinafter
16 referred to as the "trust fund," is hereby created to be administered by the
17 Louisiana Housing Finance Agency. Monies credited to the fund shall include,
18 but not be limited to, funds received as provided by Paragraph (2) of this
19 Subsection. Interest earned on investment of monies in the trust fund shall be
20 credited to the trust fund. Unexpended and unencumbered monies in the trust
21 fund at the end of each fiscal year shall remain in the trust fund. Monies in the
22 trust fund shall be used exclusively for the purchase of loans from Habitat for
23 Humanity affiliates in accordance with the provisions of this Chapter.

24 (2) The trust fund shall receive monies in the following manner:

25 (a) Monies annually allocated by the board of the Louisiana Housing
26 Finance Agency from agency funds specifically designated for the Habitat for
27 Humanity Loan Purchase Program.

28 (b) Gifts, grants, and donations to the trust fund received from
29 individuals, partnerships, and public or private organizations.

1 (c) Monies appropriated to the trust fund by the legislature for these
2 purposes.

3 (d) Any federal funds made available to the state under any federal
4 housing legislation consistent with these provisions.

5 (e) Any monies received in repayment for loans made under the
6 provisions of this Chapter.

7 C. For the purposes of this Chapter, the Louisiana Housing Finance
8 Agency shall promulgate all rules, regulations, and other such procedures in
9 conjunction with representatives of Louisiana Habitat affiliates, as may be
10 designated by Habitat for Humanity International, in accordance with the
11 provisions of R.S. 40:600.6(A)(4)(b)(x).

12 (1) The proposed rules shall be formulated for submission to the board
13 of commissioners of the Louisiana Housing Finance Agency no later than
14 October 15, 2005.

15 (2) The board shall review and adopt the proposed rules no later than
16 November 30, 2005.

17 (3) The board shall submit the proposed rules to the Joint Legislative
18 Committee on the Budget for review at its first regularly scheduled meeting in
19 2006.

20 Section 2. This Act shall become effective on January 1, 2006; if vetoed by the
21 governor and subsequently approved by the legislature, this Act shall become effective on
22 January 1, 2006, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Bobbie Hunter.

DIGEST

Present law provides for the powers and duties of the Louisiana Housing Finance Agency (LHFA), including the power to originate and fund second mortgages. Also requires that rules and regulations for certain programs shall be submitted to the Joint Legislative Committee on the Budget for review.

Proposed law retains present law and authorizes LHFA to originate and fund first mortgages for certain low to moderate income households in Louisiana.

Proposed law provides for the establishment of the Louisiana Habitat for Humanity Loan Purchase Program Act within LHFA. Provides for LHFA to partner with Louisiana Habitat for Humanity affiliates through the purchase of homeowner loans from the Habitat affiliates. Provides for establishment of the Louisiana Habitat for Humanity Trust Fund to receive monies for the purchase of home loans. Monies in the trust fund shall include funds allocated by LHFA from its agency funds; gifts, grants, or donations; federal funds; monies appropriated by the legislature; and monies received in repayment for the home loans.

Proposed law retains present law relative to rule and regulation review by the Joint Legislative Committee on the Budget and additionally provides that LHFA shall formulate such rules in conjunction with representatives of the Louisiana Habitat for Humanity affiliates. Also provides a time schedule for the adoption of such rules.

Effective 1/1/06.

(Amends R.S. 40:600.6 (A)(26)(b); adds R.S. 40:600.6(A)(4)(b)(x), 600.27, and 600.28)