

HOUSE BILL No. 2688

By Committee on Federal and State Affairs

2-11

9 AN ACT concerning the housing loan deposit program; relating to
10 requirements for borrowers; amending K.S.A. 2009 Supp. 75-4277 and
11 75-4279 and repealing the existing sections.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2009 Supp. 75-4277 is hereby amended to read as
15 follows: 75-4277. As used in K.S.A. 2009 Supp. 75-4276 through 75-4282,
16 and amendments thereto:

17 (a) “Housing loan deposit” means an investment account placed by
18 the director of investments under the provisions of article 42 of chapter
19 75 of the Kansas Statutes Annotated with an eligible lending institution
20 for the purpose of carrying out the intent of this act;

21 (b) “housing loan deposit loan package” means the forms provided
22 by the state treasurer for the purpose of applying for a housing loan
23 deposit;

24 (c) “eligible lending institution” means a depository bank, as defined
25 under K.S.A. 75-4201, and amendments thereto, that agrees to participate
26 in the Kansas housing loan deposit program and is eligible to be a de-
27 pository of state funds;

28 (d) “eligible developer borrower” means any person, firm or corpo-
29 ration building houses; and

30 (e) “house” means a single-family or multi-family dwelling that ini-
31 tially sells or is appraised at or below ~~350% of the Kansas median house-~~
32 ~~hold income for the previous year~~ *the average area purchase price for the*
33 *state of Kansas as established by the state treasurer through rules and*
34 *regulations based on the requirements of section 143(e) of the internal*
35 *revenue code of 1986 as in effect on the effective date of this act for homes*
36 *that are eligible for mortgage revenue bonds.*

37 Sec. 2. K.S.A. 2009 Supp. 75-4279 is hereby amended to read as
38 follows: 75-4279. (a) The state treasurer is hereby authorized to dissem-
39 inate information and to provide housing loan deposit loan packages to
40 the lending institutions eligible for participation in this act.

41 (b) The housing loan deposit loan package shall be completed by the
42 borrower before being forwarded to the lending institution for
43 consideration.

1 (c) (1) An eligible lending institution that agrees to receive a housing
2 loan deposit shall accept and review applications for loans from eligible
3 developer borrowers. The lending institution shall apply all usual lending
4 standards to determine the credit worthiness of eligible developer bor-
5 rowers. The total aggregate amount of housing loan deposit loans under
6 this program shall not exceed \$60,000,000 of unencumbered funds pur-
7 suant to article 42 of chapter 75 of the Kansas Statutes Annotated, and
8 amendments thereto.

9 (2) ~~Only one housing loan deposit loan shall be made and~~ *No more*
10 *than \$2,000,000 shall* be outstanding at any one time to any developer
11 borrower.

12 (3) No loan shall be amortized for a period of more than five years.

13 (d) An eligible developer borrower shall certify on its loan application
14 that the reduced rate loan will be used exclusively for the expenses in-
15 volved in building houses.

16 (e) The eligible lending institution may approve or reject a housing
17 loan deposit loan package based on the lending institution's evaluation of
18 the eligible developer borrowers included in the package, the amount of
19 the individual loan in the package and other appropriate considerations.

20 (f) The eligible lending institution shall forward to the state treasurer,
21 an approved housing loan deposit loan package, in the form and manner
22 prescribed and approved by the state treasurer. The package shall include
23 information regarding the amount of the loan requested by each eligible
24 developer borrower and such other information regarding each eligible
25 developer borrower the state treasurer requires, including a certification
26 by the applicant that such applicant is an eligible developer borrower.

27 (g) From July 1, 2008, through ~~July 1, 2011~~ *December 31, 2010*, 50%
28 of the total aggregate amount available under subsection (c)(1), shall be
29 made available for housing loans to eligible developer borrowers building
30 houses in the city of Chanute, Coffeyville, Erie, Fredonia, Greensburg,
31 Independence, Iola, Neodesha, or Osawatomie, Kansas, or within one
32 mile of the city limits of any such city.

33 Sec. 3. K.S.A. 2009 Supp. 75-4277 and 75-4279 are hereby repealed.

34 Sec. 4. This act shall take effect and be in force from and after its
35 publication in the Kansas register.