

CHAPTER 113
SENATE BILL No. 382

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

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

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

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

(b) "housing loan deposit loan package" means the forms provided by the state treasurer for the purpose of applying for a housing loan deposit;

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

(d) "eligible developer borrower" means any person, firm or corporation building *new houses or rehabilitating existing* houses; and

(e) "house" means a single-family or *multi-family* dwelling that initially sells or is appraised at or below ~~350% of the Kansas median household income for the previous year~~ *the average area purchase price safe harbor for the state of Kansas as established by the state treasurer through rules and regulations based on the requirements of section 143(e) of the internal revenue code of 1986 for homes that are eligible for mortgage revenue bonds.*

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

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

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

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

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

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

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

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

(g) From July 1, 2008, through ~~July 1, 2011~~ *December 31, 2010*, 50% of the total aggregate amount available under subsection (c)(1), shall be made available for housing loans to eligible developer borrowers building houses in the city of Chanute, Coffeyville, Erie, Fredonia, Greensburg,

Independence, Iola, Neodesha, or Osawatomie, Kansas, or within one mile of the city limits of any such city.

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

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

Approved April 15, 2010.

Published in the *Kansas Register* April 29, 2010.
