

2023 Kansas Statutes

12-5261. Same; loan guarantees; lending standards; administration by Kansas housing resources corporation; rules and regulations. (a) The corporation is hereby authorized to enter into agreements with financial institutions to provide loan guarantees against risk of default for rural housing loans in accordance with the provisions of this act. Except as provided in K.S.A. 12-5262, and amendments thereto, for payment for a loan guarantee for which the state housing trust fund is liable, no claim against the state under this act shall be paid by the state, the corporation or any other state agency other than pursuant to an appropriation act of the legislature after such claim has been filed with and considered by the joint committee on special claims against the state.

(b) Eligible financial institutions shall apply all usual lending standards to determine the creditworthiness of eligible rural home loan borrowers. The financial institution originating the loan shall be responsible for monitoring the loan and, in case of any default, working with the borrower to obtain the collateral for the loan. The financial institution shall be in the first position and the state in second position to recover on the loan.

(c) The corporation shall administer the provisions of this act and shall adopt rules and regulations for the implementation or administration of this act including the development of an application process. The loan guarantee agreement with the corporation shall include reporting requirements and financial standards that are appropriate for the type of loan for the borrower. The corporation may enter into contracts that the corporation deems necessary for the implementation or administration of this act. The corporation may impose fees and charges as may be necessary to recover costs incurred for the administration of this act.

History: L. 2022, ch. 85, § 17; July 1.