WEST VIRGINIA CODE: §31-18-19

§31-18-19. Operating loan fund.

(a) The board of directors of the Housing Development Fund may create and establish a special revolving loan fund of moneys made available by contribution or loan, to be known as the operating loan fund and to be governed, administered and accounted for by the directors, officers and managerial staff of the Housing Development Fund as a public purpose trust account separate and distinct from any other moneys, fund or funds owned and managed by the Housing Development Fund.

(b) The purpose for organizing and operating the operating loan fund shall be to provide a source from which the Housing Development Fund may make temporary loans, with or without interest, but with such security for repayment as the Housing Development Fund deems reasonably necessary and practicable; such loans to be used to defray development costs to sponsors of land development for residential housing construction for occupancy by persons and families of low and moderate income or residential housing construction for occupancy by persons and families of low and moderate income which is eligible or potentially eligible for federally insured construction loans, federally insured mortgages or federal mortgages or other public assistance programs or uninsured construction loans or uninsured mortgage loans.

(c) No temporary loans shall be made by the Housing Development Fund from the operating loan fund except in accordance with a written loan agreement which shall include, but not be limited to, the following terms and conditions:

(1) The proceeds of all such loans shall be used only to defray the development costs of such proposed residential housing;

(2) All such loans shall be repaid in full, with or without interest as provided in the agreement;

(3) All repayments shall be made concurrent with receipt by the borrower of the proceeds of a construction loan or mortgage, as the case may be, or at such other times as the Housing Development Fund deems reasonably necessary or practicable; and

(4) Specification of such security for repayments upon such terms and conditions as the Housing Development Fund deems reasonably necessary or practicable to ensure all repayments.

(d) No funds from the operating loan fund shall be used to carry on propaganda, or otherwise attempt to influence legislation.

WV Legislature