WEST VIRGINIA CODE: §31-18-20B

§31-18-20b. Mortgage finance bond insurance fund.

(a) There is hereby created and established in the State Treasury a special trust fund to be designated the "mortgage finance bond insurance fund" into and from which moneys shall be paid as provided in this section. The mortgage finance bond insurance fund shall be under the supervision and control of the state sinking fund commission and all moneys and securities held therein or investments thereof shall be held in trust subject to use and application only as provided herein and in the resolution or resolutions of the Housing Development Fund authorizing the issuance of any mortgage finance bonds, notwithstanding any other provision of law. The mortgage finance bond insurance fund shall be kept separate and apart from all other moneys and funds of the state and the Housing Development Fund is hereby authorized to pledge any amount or amounts held therein to the payment of the principal (including annual sinking fund payments) of, and interest on, mortgage finance bonds in the manner and to the extent and on such terms and conditions as may be provided by the Housing Development Fund.

(b) In addition to any other fees and charges which the Housing Development Fund may charge on loans, it shall charge on all loans or mortgages made or purchased with the proceeds of sale of mortgage finance bonds, except federally insured construction loans, federally insured mortgages, or federal mortgages, a special bond insurance commitment fee and special bond insurance premiums. The special bond insurance commitment fees and special bond insurance premiums so charged shall be remitted to the state sinking fund commission, promptly after the last day of each calendar quarter, by the Housing Development Fund, or by any trustee, trustees, agent or agents designated by the Housing Development Fund to receive the same and shall be held, invested and, together with all investment income thereon, reinvested by the state sinking fund commission in investments authorized under section six of this article.

(c) Simultaneously with the issuance of any mortgage finance bonds, the Housing Development Fund shall cause to be deposited in the mortgage finance bond insurance fund an amount of the proceeds of sale and delivery of such mortgage finance bonds which together with the sum of the amount then on deposit in the mortgage finance bond insurance fund and in reserves theretofore or then set aside with a trustee or trustees and held pursuant to the resolution or resolutions authorizing the issuance of such bonds only for the payment of designated mortgage finance bonds prior to, or at, their maturity, shall equal the minimum bond insurance requirement. Except as provided in subsection (e) of this section, amounts on deposit in the mortgage finance bond insurance fund which are in excess of the minimum bond insurance requirement may be withdrawn from the mortgage finance bond insurance fund and paid to or upon the order of the Housing Development Fund upon thirty days' notice in writing to the state sinking fund commission. For the purposes of determining any amounts held in the mortgage finance bond insurance fund, securities held in or other

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investments of the mortgage finance bond insurance fund shall be valued at par. If, at any time, the Housing Development Fund shall determine that because of defaults or other reasons, the moneys available therefor shall be insufficient to pay the principal, including the annual sinking fund payment, of, and interest on, mortgage finance bonds becoming due during the next ensuing six-month period, the Housing Development Fund shall give written notice to the state sinking fund commission to transfer the amount of moneys required for such payment, on or before the time and to such trustee or paying agent for any of the mortgage finance bonds as shall be specified in such notice, and the state sinking fund commission shall make such transfer.

(d) In the event that the sum of the amount held in the mortgage finance bond insurance fund and in reserves set aside with a trustee or trustees and held pursuant to the resolution or resolutions authorizing the issuance of such bonds only for the payment of designated mortgage finance bonds prior to, or at, their maturity, shall be less than the minimum bond insurance requirement, the chairman of the Housing Development Fund shall certify, on or before December 1, of each year, the amount of such deficiency to the Governor of the state, for inclusion, if the Governor shall so elect, of the amount of such deficiency in the budget to be submitted to the next session of the Legislature for appropriation to the state sinking fund commission for deposit in the mortgage finance bond insurance fund: Provided, That the Legislature shall not be required to make any appropriation so requested, and the amount of such deficiencies shall not constitute a debt or liability of the state.

(e) Subject to any agreement or agreements with holders of outstanding notes and bonds of the Housing Development Fund, any amount or amounts paid by the state into the mortgage finance bond insurance fund pursuant to this section shall be repaid to the state as, when, and to the extent, amounts held in the mortgage finance bond insurance fund at any time or times after any payment by the state into the mortgage finance bond insurance fund shall exceed the minimum bond insurance requirement at such time or times or as may otherwise be provided by law.

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