WEST VIRGINIA CODE CHAPTER 31 ARTICLE 18

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§31-18-1. Short title.

This article shall be known and may be cited as the "West Virginia Housing Development Fund Act."

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§31-18-2. Legislative findings and purpose.

(a) The Legislature hereby finds and declares that as a result of public actions involving highways, public facilities, flood-control projects and urban renewal activities, and as a result of the spread of slum conditions and blight to formerly sound urban and rural neighborhoods, there exists in the State of West Virginia a serious shortage of sanitary, decent and safe residential housing available at low prices or rentals to persons and families of low and moderate income. This shortage is severe in certain urban areas of the state, is especially critical in the rural areas of West Virginia, and is inimical to the health, welfare and prosperity of all residents of the state and to the sound growth of West Virginia communities.

(b) The Legislature hereby finds and declares further that private enterprise and investment have not been able to produce, without assistance, the needed construction of sanitary, decent and safe residential housing at low prices or rentals which persons and families of low and moderate income can afford, to provide sufficient long-term mortgage financing for residential housing for occupancy by persons and families of low and moderate income or to achieve the urgently needed rehabilitation of much of the present low and moderate income housing stock. It is imperative that the supply of residential housing for persons and families displaced by public actions or natural disaster be increased; that private enterprise and investment be encouraged both to sponsor land development for residential housing for such persons and families and to sponsor, build and rehabilitate residential housing for such persons and families; and that private financing be supplemented by financing as in this article provided, to help prevent the recurrence of slum conditions and blight and assist in their permanent elimination throughout West Virginia.

(c) The Legislature hereby finds and declares further that experience has demonstrated that concentration in residential housing developments, or residential housing areas, of only persons and families who, without some form of private or public assistance, do not have incomes sufficient to afford sanitary, decent and safe residential housing, frequently does not eliminate, or avoid, undesirable social conditions and frequently does not permanently eliminate, or avoid, slum conditions, and that in such instances occupancy of some of the residential housing units in such residential housing developments, or residential housing areas, by persons and families of higher income is desirable and beneficial in achieving the stated public purposes for enacting this legislation.

(d) The Legislature hereby finds and declares further that depressed economic conditions in this state and a related lack of employment and business opportunities caused thousands of people to leave this state to find employment elsewhere; that such depressed economic conditions and related exodus of population adversely affected the property tax base of this state, adversely affected the excise tax base of this state, diminished the manpower resources of this state necessary for modern mining, industrial and commercial operations and development in this state, caused the population of this state to include a disproportionately high number of elderly, disabled and economically disadvantaged persons, resulted in the spread of slum conditions and blight to formerly sound urban and

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rural neighborhoods, retarded, and continue to retard, the repair and improvement of existing residential housing and the construction of new residential housing, adversely affected, and continue to adversely affect, land development, including the extension and construction of water systems, nonpolluting sewer systems, other utility facilities and off-highway streets and roads essential to new industrial, commercial and residential housing development, critically restricted, and continue to critically restrict, the construction of public housing for occupancy by persons and families at the lowest level of the low and moderate income segment of the population of this state, critically restricted, and continue to critically restrict, the opportunities of persons and families at all levels of the low and moderate income segment of the population of this state for improved residential housing, either newly constructed or which would normally become available to them when vacated by persons and families of higher income occupying newly constructed residential housing, and critically restricted, and continue to critically restrict, the construction of new residential housing, including, but not limited to, nursing homes and intermediate care facilities, of design and location suitable for occupancy by disabled and by elderly persons; that as a result of public actions involving highways, public facilities, flood-control projects and urban-renewal activities undertaken as a part of the programs of this state to improve economic conditions and increase employment opportunities in this state with a view to improving the health, welfare and prosperity of residents of this state and reversing the outward movement of population in this state, extensive areas which are suitable for industrial, commercial and residential housing uses have been, or in the near future will be, opened up for development for such purposes but in many instances will be without the land development, including water and nonpolluting sewer systems, other utility facilities and off-highway street and road improvements essential to use of the same for such purposes; that as a result of the unique physical, economic, demographic and other characteristics of this state, including its rugged mountainous terrain, scarcity of land at low or moderate cost suitable for residential housing, low population density and cultural preferences which are not suited for the denser, larger-scale housing projects typical of more urban areas and high costs of land development and housing construction, the difficulties of providing land development, including water and nonpolluting sewer systems, other utility facilities and off-highway streets and roads, and of providing residential housing, are unusually severe within this state and have restricted and continue to restrict, land development and housing construction needed for the people of the state; that as a direct consequence of the foregoing there exists in this state a serious shortage of sanitary, decent and safe residential housing available for occupancy by persons and families of all but the highest income levels and there exists in this state a serious shortage of water and nonpolluting sewer systems, other utility facilities and off-highway street and road developments essential to utilization of land for industrial, commercial and residential housing purposes which, due to public actions involving highways, public facilities, flood-control projects and urban-renewal activities, is, or will soon become, available for needed industrial, commercial and residential housing purposes; that these shortages are severe in certain urban areas of this state, are especially critical in rural areas of this state and are inimical to the present and future health, welfare and prosperity of all residents of this state and to the sound growth and development of communities in this state; and that unless promptly remedied these shortages will continue

to seriously retard the sound economic growth and development of this state, the related property tax and excise tax bases of this state and the availability in this state of manpower resources essential to modern mining, industrial and commercial operations and development which are essential to the health, welfare and prosperity of this state and its residents.

(e) The Legislature hereby finds and declares further that private enterprise and investment have not been able to produce, or provide mortgage financing for, sufficient new sanitary, decent and safe residential housing at prices or rentals low enough to enable sufficient persons and families having incomes at or immediately above the higher level of the low and moderate income segment of the population of this state to occupy the same and thereby provide opportunities for persons and families of lesser income to occupy existing sanitary, decent and safe residential housing thereby vacated, have not been able to produce, or provide mortgage financing for, sufficient new residential housing essential to retain and attract qualified manpower resources in and to many areas of this state where such resources are, or shortly will be, critically needed for existing, expanding and new mining, industrial and commercial operations and development, have not been able to produce, or provide mortgage financing for, sufficient new residential housing, including, but not limited to, nursing homes and intermediate care facilities, of design and location suitable for occupancy by elderly and by disabled persons, have not been able to finance sufficient land development, including extensions or construction of water and nonpolluting sewer systems, other utility facilities and off-highway streets and roads, essential to utilization of undeveloped areas of this state for industrial, commercial and residential housing purposes, and have not been able to achieve urgently needed rehabilitation of much of the present housing stock of this state; that it is imperative that the supply of residential housing necessary to retain and attract qualified manpower resources in and to many areas of this state where such resources are, or shortly will be, critically needed for existing, expanding and new mining, industrial and commercial operations and developments be provided, that sufficient new residential housing, including, without limitation, nursing homes and intermediate care facilities, designed and located so as to be suitable for occupancy by elderly persons and by disabled persons be provided, that needed public housing for occupancy by persons and families at the lowest level of the low and moderate income segment of the population of this state be provided, that land development, including water and nonpolluting sewer systems and other utilities and off-highway streets and roads in this state necessary or desirable for new commercial, industrial and residential housing uses be provided, and that the existing political subdivisions of this state, and private enterprise and investment resources in this state, be encouraged to sponsor and finance land development, including water and nonpolluting sewer systems, other utilities and off-highway streets and roads, and to finance, construct and rehabilitate such residential housing; and that it is necessary that such efforts be supplemented by this state as in this article provided.

(f) The Legislature hereby finds and declares further that political subdivisions in West Virginia which are presently authorized and empowered by law to acquire, construct, operate and manage public housing projects have not been able to acquire and construct,

even with available federal and state assistance, public housing projects sufficient to fulfill the needs for sanitary, decent and safe residential housing for occupancy by persons and families at the lowest level of the low and moderate income segment of the population of this state who have been entitled to occupy public housing in many smaller municipalities in West Virginia and especially in the rural areas of West Virginia; that the primary cause of such shortage of needed public housing projects is the inability of such political subdivisions to remedy such shortages because the number of units of public housing needed within its territorial jurisdiction is not sufficient to generate, and justify the expenditure of, adequate funds to provide the requisite arranging of financing for, and planning, development, acquisition, construction, operation and management of such public housing; and that the acquisition, construction, planning, development, financing and management of public housing projects in this state by a governmental instrumentality and public body corporate with statewide jurisdiction as authorized herein will permit or facilitate the arranging of financing for, and planning, development, acquisition, construction, operation or management of public housing units, even though such units are included in several projects each of which contains a relatively small number of such units, sufficient in the aggregate to generate, and justify the expenditure of, sufficient funds to provide the requisite arranging of financing for, and planning, development, acquisition, construction, operation and management of such public housing, thereby providing the means to alleviate the existing shortages of public housing in many municipalities in West Virginia and in the rural areas of West Virginia.

(g) The Legislature hereby finds and declares further that its intention by enacting this legislation is to provide for the continuation of the West Virginia Housing Development Fund, the corporate purpose of which is to provide financing for development costs and land development to public and private sponsors of land development in this state; further to provide federally insured construction loans to public and private sponsors of land development or to public and private sponsors of residential housing for occupancy by eligible persons and families; further to provide uninsured construction loans to public and private sponsors of land development or to public and private sponsors of residential housing for occupancy by eligible persons and families or to eligible persons and families who may construct such housing; further to provide long term federally insured mortgage loans to public and private sponsors of residential housing for occupancy by eligible persons and families and to eligible persons and families who may purchase or construct such housing; further to provide long-term uninsured mortgage loans to public and private sponsors of residential housing for occupancy by eligible persons and families and to eligible persons and families who may purchase or construct such housing; further to provide technical, consultative and project assistance service to public and private sponsors of such land development or residential housing; further to increase the construction of residential housing for occupancy by eligible persons and families through participating in the making of, or the making of, loans to mortgagees approved by the Housing Development Fund, and taking as collateral security therefor, or purchasing, or investing in long-term federal mortgages or federally insured mortgages, or uninsured mortgages, on residential housing constructed in this state, thereby increasing the supply of funds for long-term mortgage

financing of residential housing for occupancy by eligible persons and families and freeing funds for use in short-term construction financing of residential housing for occupancy by eligible persons and families; further to plan, develop, finance, acquire, construct, mortgage or otherwise encumber, operate, manage, sell, lease or otherwise dispose of public housing projects; and finally to assist in coordinating federal, state, regional and local public and private efforts and resources to otherwise increase the supply of such residential housing.

(h) The Legislature hereby finds and declares further that in accomplishing this purpose, the West Virginia Housing Development Fund, heretofore created and established by this article, is acting in all respects for the benefit of the people of the State of West Virginia to serve a public purpose in improving and otherwise promoting their health, welfare and prosperity, and that the West Virginia Housing Development Fund, heretofore created and established, is empowered, hereby, to act on behalf of the State of West Virginia and its people in serving this public purpose for the benefit of the general public.

(i) The Legislature hereby finds and declares further that during a period of national growth this state has experienced a lack of employment and business opportunities, which have caused a reduction in the tax base of the state, diminishing the resources available to this state to provide for the health, safety and welfare of its citizens; that there has been and continues to be a need for economic development and improvement and capital investment in this state, including, but not limited to, the real estate and construction industries, both residential and nonresidential; that there exists in this state a shortage of the capital needed to finance general economic development through investment in enterprises which have the potential to create new employment opportunities in this state and that there also exists a shortage of construction and real estate development financing, underwriting and construction expertise, which shortage can be alleviated by utilizing the expertise of the Housing Development Fund and its staff, which are hereby determined to be suited to facilitate, implement and undertake the general economic development and real estate construction and development projects, both residential and nonresidential, which are necessary to support the capital base and employment levels and remedy many of the underlying causes of the current economic difficulties existing in this state; that many other states have facilitated the development of capital and the growth of employment opportunities through state programs which provide combined technical and financial assistance for business and real estate development in such states; and the Legislature hereby finds and declares further in support of the foregoing that it shall be a corporate purpose of the Housing Development Fund to provide assistance by loans, grants or otherwise for the costs, including development and direct and indirect costs, and financing for public and private sponsors of land development, residential housing and nonresidential projects in this state, and further to provide construction loans and mortgage loans (including privately insured and uninsured) to public and private sponsors of land development and residential housing and nonresidential projects in this state, to make grants and provide technical, consultative and project assistance services to public and private sponsors of land development and residential housing and nonresidential projects in this state, and to plan, develop, finance, acquire, construct, renovate, improve, mortgage or

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otherwise encumber, operate, manage, sell, lease or otherwise dispose of general economic development and land development projects and residential projects and nonresidential projects in this state.

(j) The Legislature hereby finds and declares further that the Housing Development Fund and its staff have extensive expertise in real estate development financing, underwriting and construction activities, and further that there is a need on behalf of public and educational bodies to facilitate the construction of new facilities or renovation of existing facilities, which need can best be met by making available to such public agencies and bodies the real estate and construction development services and consultative expertise of the Housing Development Fund at such cost and fees as the Housing Development Fund would normally impose, subject to the provisions of this article relating to the powers of the Housing Development Fund.

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§31-18-3. Definitions.

As used in this article, unless the context otherwise requires:

(1) "Affordable Housing Fund" means the affordable housing fund created and established by the Housing Development Fund in accordance with §31-18-20d of this code.

(2) "Annual sinking fund payment" means the amount of money specified in the resolution or resolutions authorizing term bonds as payable into a sinking fund during a particular calendar year for the retirement of term bonds at maturity after such calendar year, but shall not include any amount payable by reason only of the maturity of a bond.

(3) "Development costs" means the costs approved by the Housing Development Fund as appropriate expenditures by the Housing Development Fund or by sponsors, for land development, residential housing, or nonresidential projects within this state, including, but not limited to:

(a) Payments for options to purchase proposed sites, necessary easements, and other related property rights, deposits on contracts of purchase, or, with prior approval of the Housing Development Fund, payments for the purchase of such properties;

(b) Legal and organizational expenses, including payments of attorneys' fees, utility and governmental application and filing fees and expenses, project manager and clerical staff salaries, office rent, and other incidental expenses;

(c) Payment of fees and expenses for preliminary feasibility studies and costs estimates and advances for planning, engineering, and architectural work;

(d) Expenses for tenant surveys and market analyses; and

(e) Necessary application, approval, and other fees.

(4) "Eligible persons and families" means:

(a) Persons and families of low and moderate income; or

(b) Persons or families of higher income to the extent the Housing Development Fund shall find and determine, by resolution, that construction of new or rehabilitated residential housing for occupancy by them will cause to be vacated existing sanitary, decent, and safe residential housing available at prices or rentals which persons and families of low and moderate income can afford; or

(c) Persons or families of higher income to the extent the Housing Development Fund shall find and determine, by resolution, that construction of new or rehabilitated multifamily rental housing or new, rehabilitated, or existing home ownership housing in the state for

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occupancy by them will further economic growth, increase the housing stock in the state by eliminating substandard or deteriorating housing conditions, or provide additional housing opportunities in the state; or

(d) Persons who because of age or physical disability are found and determined by the Housing Development Fund, by resolution, to require residential housing of a special location or design in order to provide them with sanitary, decent, and safe residential housing; or

(e) Persons and families for whom, as found and determined by the Housing Development Fund by resolution, construction of new or rehabilitated residential housing in some designated area or areas of the state is necessary for the purpose of retaining in, or attracting to, such area or areas qualified manpower resources essential to modern mining, industrial and commercial operations, and development in such area or areas.

(5) "Federally insured construction loan" means a construction loan for land development, residential housing, or nonresidential projects, which are either secured or guaranteed, in whole or in part, by a federally insured mortgage or a federal mortgage, or which are insured or guaranteed, in whole or in part, by the United States or an instrumentality thereof, or a commitment by the United States or an instrumentality thereof to insure such loan.

(6) "Federally insured mortgage" means a mortgage loan for land development, residential housing, or nonresidential projects with a commitment by the United States or an instrumentality thereof to insure or guarantee such a mortgage.

(7) "Federal mortgage" means a mortgage loan for land development, residential housing, or nonresidential projects made by the United States or an instrumentality thereof, or a commitment by the United States or an instrumentality thereof to make such a mortgage loan.

(8) "Housing Development Fund" means the West Virginia Housing Development Fund heretofore created and established by §31-18-4 of this code.

(9) "Land development" means the process of acquiring land for residential housing construction or nonresidential projects or of making, installing, or constructing improvements, including waterlines and water supply installations, sewer lines and sewage disposal installations, steam, gas, telephone, and telecommunications and electric lines and installations, roads, railroad spurs, docking and shipping facilities, streets, curbs, gutters, sidewalks, drainage, and flood control facilities, whether on or off the site, which the Housing Development Fund deems necessary or desirable to prepare such land for construction within this state.

(10) "Land Development Fund" means the land development fund which may be created and established by the Housing Development Fund in accordance with §31-18-20a of this code.

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(11) "Minimum bond insurance requirement" means, as of any particular date of computation, an amount of money equal to the greatest of the respective amounts, for the then current or any future calendar year, of annual debt service of the Housing Development Fund on all outstanding mortgage finance bonds, such annual debt service for any calendar year being the amount of money equal to the aggregate of: (a) All interest payable during such calendar year on such mortgage finance bonds on said date of computation; plus (b) the principal amount of such mortgage finance bonds outstanding which matures during such calendar year, other than mortgage finance bonds for which annual sinking fund payments have been or are to be made in accordance with the resolution authorizing such bonds; plus (c) the amount of all annual sinking fund payments payable during such calendar year with respect to any such mortgage finance bonds, all calculated on the assumption that bonds will after said date of computation cease to be outstanding by reason, but only by reason, of the payment of bonds when due, and the payment when due and application in accordance with the resolution authorizing such bonds of all such sinking fund payments payable at or after said date of computation.

(12) "Mortgage finance bonds" means bonds issued or to be issued by the Housing Development Fund and secured by a pledge of amounts payable from the mortgage finance bond insurance fund in the manner and to the extent provided in §31-18-20b of this code.

(13) "Mortgage Finance Bond Insurance Fund" means the special trust fund created and established in the State Treasury in accordance with §31-18-20b of this code.

(14) "Nonresidential project" means a project in the state, whether or not directly related to the providing of residential housing, determined by the Housing Development Fund as likely to foster and enhance economic growth and development in the area of the state in which such project is developed, for retail, commercial, industrial, community improvement, or preservation or other proper purpose, including tourism and recreational housing, land, air, or water transportation facilities, facilities for vocational or other training or to provide medical care and other special needs of persons residing in the state, sports complexes and cultural, artistic, and other exhibition centers, industrial or commercial projects and facilities, mail order, wholesale, and retail sales facilities, and other real or personal properties including facilities which are owned or leased by this state, any county or municipality or other public body within the state, and includes, without limitation, the process of acquiring, holding, operating, planning, financing, demolition, construction, renovation, leasing, or otherwise disposing of such project or any part thereof or interest therein. Any such project may include appurtenant machinery and equipment.

(15) "Operating Loan Fund" means the operating loan fund which may be created and established by the Housing Development Fund in accordance with §31-18-19 of this code.

(16) "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin, or sex, determined by the Housing Development Fund to require such assistance as is made available by this article on account of personal or family income not sufficient to afford sanitary, decent, and safe housing, and to be eligible or

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potentially eligible to occupy residential housing constructed and financed, wholly or in part, with federally insured construction loans, federally insured mortgages, federal mortgages, or with other public or private assistance, or with uninsured construction loans, or uninsured mortgage loans, and in making such determination the fund shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs; (b) the size of the family; (c) the cost and condition of housing facilities available; (d) the eligibility of such persons and families for federal housing assistance of any type predicated upon low or moderate income basis; and (e) the ability of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent, and safe housing: Provided, That to the extent found and determined by the Housing Development Fund, by resolution, to be necessary or appropriate for the purposes of eliminating undesirable social conditions and permanently eliminating slum conditions, the income limitation requirements of this article may be waived as to any persons or families who are eligible to occupy residential housing constructed in whole, or in part, with federally insured construction loans, federally insured mortgages or federal mortgages under housing assistance or mortgage insurance programs of the United States, or an instrumentality thereof, predicated upon any low- or moderate-income basis.

(17) "Residential housing" means a specific work or improvement within this state undertaken primarily to provide dwelling accommodations, including the acquisition, construction, or rehabilitation of land, buildings, and improvements thereto, for residential housing for occupancy by eligible persons and families, including, but not limited to, facilities for temporary housing and emergency housing, nursing homes and intermediate care facilities, and such other nonhousing facilities as may be incidental or appurtenant thereto.

(18) "Special bond insurance commitment fee" means a fee in the amount of one per centum of the total principal amount of each loan which is to be temporarily or permanently financed from the proceeds of mortgage finance bonds, other than a federally insured construction loan, a federally insured mortgage or a federal mortgage, or an amount equal to an equivalent discount on each loan purchased or invested in by the Housing Development Fund from the proceeds of mortgage finance bonds, other than a federally insured construction loan, a federally insured mortgage or a federal mortgage, and which may be payable from the proceeds of such bonds or any other source available to the Housing Development Fund for such use: Provided, That if the period of time between the first disbursement of proceeds of such loan and the date upon which it is specified that the first repayment of principal of such a loan shall be payable exceeds 12 months, an additional amount computed on the basis of one twelfth of one per centum per month on the total principal amount of such loan over the number of months of such period of time in excess of 12 months shall be included in such fee.

(19) "Special bond insurance premium" means: (i) A fee at the rate of one half of one percent per annum on the outstanding principal balance which the Housing Development Fund shall charge the borrower of a mortgage loan, or of a loan secured by a mortgage, financed from

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the proceeds of mortgage finance bonds, other than a federally insured construction loan, a federally insured mortgage or a federal mortgage, which shall accrue from a date which is one month prior to the date on which the first installment payment of principal of such a loan is payable and which shall be payable thereafter in monthly installments on the same day of each successive month that installment payments of principal of such a loan are payable; and (ii) with respect to any loan, other than a federally insured construction loan, a federally insured mortgage or a federal mortgage, purchased, or invested in with such proceeds, an equivalent amount which the Housing Development Fund shall set aside from payments it receives on such loan or from any other source available to the Housing Development Fund for such use.

(20) "State sinking fund commission" means the commission known as such and continued in existence pursuant to §13-3-1 et seq. of this code and any body, board, person, or commission which shall, by law, hereafter succeed to the powers and duties of such commission.

(21) "Temporary housing" means a specific work or improvement within this state undertaken primarily to provide dwelling accommodations, including the acquisition, construction, or rehabilitation of land, buildings, and improvements thereto, for temporary residential housing, including, but not limited to, shelters for homeless people, housing for victims of floods and other disasters, shelters for abused or battered persons and their children, housing for families with hospitalized family members, housing for students and student families, and housing for the handicapped and such other nonhousing facilities as may be incidental or appurtenant thereto.

(22) "Uninsured construction loans" means a construction loan for land development, residential housing or nonresidential projects which is not secured by either a federally insured mortgage or a federal mortgage, and which is not insured by the United States or an instrumentality thereof, and as to which there is no commitment by the United States or an instrumentality thereof to provide insurance.

(23) "Uninsured mortgage" and "uninsured mortgage loan" means mortgage loans for land development, residential housing or nonresidential projects which are not insured or guaranteed by the United States or an instrumentality thereof, and as to which there is no commitment by the United States or an instrumentality thereof to provide insurance.

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§31-18-4. Composition; board of directors; appointment, term, etc., of private members; chairman and vice chairman; quorum.

(a) There is continued as a governmental instrumentality of the State of West Virginia, a public body corporate to be known as the West Virginia Housing Development Fund.

(b) The Housing Development Fund is created and established to serve a public corporate purpose and to act for the public benefit and as a governmental instrumentality of the State of West Virginia, to act on behalf of the state and its people in improving and otherwise promoting their health, welfare and prosperity.

(c) The Housing Development Fund shall be governed by a board of directors, consisting of eleven members, four of whom shall be the Governor, the Attorney General, the Commissioner of Agriculture, and the state Treasurer, or their designated representatives as public directors, and seven of whom shall be chosen from the general public residing in the state, as private directors. No more than four of the private directors shall be from the same political party.

(d) Upon organization of the Housing Development Fund, the Governor shall appoint, by and with the advice and consent of the Senate, the seven private directors to take office and to exercise all powers thereof immediately, with two each appointed for terms of two years and three years, and with three each appointed for terms of four years, respectively, as the Governor shall designate; at the expiration of said terms and for all succeeding terms, the Governor shall appoint a successor to the office of private director for a term of four years in each case.

(e) A vacancy in the office of a private director is filled by appointment by the Governor for the remainder of the unexpired term.

(f) The Governor may remove any private director for reason of incompetency, neglect of duty, gross immorality, or malfeasance in office and appoint a director to fill the vacancy as provided in other cases of vacancy.

(g) The Governor or designee serves as chair. The board of directors shall annually elect one of its public members as vice chair and appoint a secretary to keep records of its proceedings, who need not be a member of the board.

(h) Six members of the board of directors constitutes a quorum. A vacancy in the membership of the board does not impair the duties of the board of directors.

(i) Action may not be taken by the board of directors except upon the affirmative vote of at least six of the directors.

(j) The directors, including the chair, vice chair and treasurer, and the secretary of the board are not compensated for their services but receive reasonable and necessary expenses actually incurred in discharging their duties under this article in a manner consistent with

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guidelines of the travel management office of the Department of Administration.

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§31-18-5. Management and control of Housing Development Fund vested in board; officers; liability.

(a) The management and control of the Housing Development Fund shall be vested solely in the board of directors in accordance with the provisions of this article.

(b) The chairman shall be the chief executive officer of the Housing Development Fund, and, in his or her absence, the vice chairman shall act as chief executive officer.

(c) The Governor appoints an executive director of the Housing Development Fund, with the advice and consent of the Senate, who serves at the Governor's will and pleasure. The director is responsible for managing and administering the daily functions of the Housing Development Fund and for performing other functions necessary to the effective operation of the Housing Development Fund. The executive director's compensation is fixed annually by the board of directors.

(d) The board of directors of the Housing Development Fund shall annually elect from its membership a treasurer and shall annually elect a secretary, who need not be a member of the board, to keep a record of the proceedings of the Housing Development Fund.

(e) The treasurer of the Housing Development Fund shall be custodian of all funds of the Housing Development Fund and shall be bonded in such amount as the other members of the board of directors may designate.

(f) The directors and officers of the West Virginia Housing Development Fund shall not be liable personally, either jointly or severally, for any debt or obligation created by the West Virginia Housing Development Fund.

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§31-18-6. Corporate Powers.

The Housing Development Fund is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate its corporate purpose, including, but not limited to, the following:

(1) To make or participate in the making of federally insured construction loans to sponsors of land development, residential housing, or nonresidential projects. Such loans shall be made only upon determination by the Housing Development Fund that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(2) To make temporary loans, with or without interest, but with such security for repayment as the Housing Development Fund determines reasonably necessary and practicable, from the operating loan fund, if created, established, organized, and operated in accordance with the provisions of §31-18-19 of this code, to defray development costs to sponsors of land development, residential housing, or nonresidential projects which are eligible or potentially eligible for federally insured construction loans, federally insured mortgages, federal mortgages or uninsured construction loans or uninsured mortgage loans;

(3) To make or participate in the making of long-term federally insured mortgage loans to sponsors of land development, residential housing, or nonresidential projects. Such loans shall be made only upon determination by the Housing Development Fund that long-term mortgage loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(4) To establish residential housing and nonresidential and land development projects for counties declared to be in a disaster area by the Federal Emergency Management Agency or other agency or instrumentality of the United States or this state;

(5) To accept appropriations, gifts, grants, bequests, and devises and to utilize or dispose of the same to carry out its corporate purpose;

(6) To make and execute contracts, releases, compromises, compositions, and other instruments necessary or convenient for the exercise of its powers, or to carry out its corporate purpose;

(7) To collect reasonable fees and charges in connection with making and servicing loans, notes, bonds, obligations, commitments, and other evidences of indebtedness, and in connection with providing technical, consultative, and project assistance services;

(8) To invest any funds not required for immediate disbursement in any of the following securities:

(i) Direct obligations of or obligations guaranteed by the United States of America or for the payment of the principal and interest on which the full faith and credit of the United States

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of America is pledged;

(ii) Bonds, debentures, notes, or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Tennessee Valley Authority; United States Postal Service; Inter-American Development Bank; International Bank for Reconstruction and Development; Small Business Administration; Washington Metropolitan Area Transit Authority; General Services Administration; Federal Financing Bank; Federal Home Loan Mortgage Corporation; Student Loan Marketing Association; Farmer's Home Administration; the Federal National Mortgage Association or the Government National Mortgage Association; or any bond, debenture, note, participation certificate or other similar obligation to the extent such obligations are guaranteed by the Government National Mortgage Association or Federal National Mortgage Association or are issued by any other federal agency and backed by the full faith and credit of the United States of America;

(iii) Public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary loan notes, or project notes issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(iv) Certificates of deposit, time deposits, investment agreements, repurchase agreements, or similar banking arrangements with a member bank or banks of the federal reserve system or a bank the deposits of which are insured by the federal deposit insurance corporation, or its successor, or a savings and loan association or savings bank the deposits of which are insured by the federal savings and loan insurance corporation, or its successor, or government bond dealers reporting to, trading with and recognized as primary dealers by a federal reserve bank: *Provided*, That such investments shall only be made to the extent insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or to the extent that the principal amount thereof shall be fully collateralized by obligations which are authorized investments for the Housing Development Fund pursuant to this section;

(v) Direct obligations of or obligations guaranteed by the State of West Virginia;

(vi) Direct and general obligations of any other state, municipality, or other political subdivision within the territorial United States: *Provided*, That at the time of their purchase, such obligations are rated in either of the two highest rating categories by a nationally recognized bond-rating agency;

(vii) Any bond, note, debenture, or annuity issued by any corporation organized and operating within the United States: *Provided*, That such corporation shall have a minimum net worth of $15 million and its securities or its parent corporation's securities are listed on

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one or more of the national stock exchanges: *Provided, however*, That: (1) Such corporation has earned a profit in eight of the preceding 10 fiscal years as reflected in its statements; and (2) such corporation has not defaulted in the payment of principal or interest on any of its outstanding funded indebtedness during its preceding 10 fiscal years; and (3) the bonds, notes, or debentures of such corporation to be purchased are rated "AA" or the equivalent thereof or better than "AA" or the equivalent thereof by at least two or more nationally recognized rating services such as Standard and Poor's, Dunn & Bradstreet, Best's, or Moody's;

(viii) If entered into solely for the purpose of reducing investment, interest rate, liquidity, or other market risks in relation to obligations issued or to be issued or owned or to be owned by the Housing Development Fund, options, futures contracts (including index futures but exclusive of commodities futures, options, or other contracts), standby purchase agreements or similar hedging arrangements listed by a nationally recognized securities exchange or a corporation described in §31-18-6(8)(vii) of this code;

(ix) Certificates, shares, or other interests in mutual funds, unit trusts or other entities registered under section eight of the United States Investment Company Act of 1940, but only to the extent that the terms on which the underlying investments are to be made prevent any more than a minor portion of the pool which is being invested in to consist of obligations other than investments permitted pursuant to this section; and

(x) To the extent not inconsistent with the express provisions of this section, obligations of the West Virginia State Board of Investments or any other obligation authorized as an investment for the West Virginia State Board of Investments under §12-6-1 *et seq*. of this code or for a public housing authority under §16-15-1 *et seq*. of this code;

(9) To sue and be sued;

(10) To have a seal and alter the same at will;

(11) To make, and from time to time, amend, and repeal bylaws and rules and regulations not inconsistent with the provisions of this article;

(12) To appoint such officers, employees, and consultants as it deems advisable and to fix their compensation and prescribe their duties;

(13) To acquire, hold, and dispose of real and personal property for its corporate purposes;

(14) To enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization;

(15) To acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the Housing Development Fund has an interest and to sell, transfer, and convey any such property to a buyer and, in the event of such sale, transfer, or conveyance cannot be effected

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with reasonable promptness or at a reasonable price, to lease such property to a tenant;

(16) To purchase or sell, at public or private sale, any mortgage or other negotiable instrument or obligation securing a construction, rehabilitation, improvement, land development, mortgage, or temporary loan;

(17) To procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable;

(18) To consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment or any installment of principal or interest, or any other terms, of mortgage loan, mortgage loan commitment, construction loan, rehabilitation loan, improvement loan, temporary loan, contract, or agreement of any kind to which the Housing Development Fund is a party;

(19) To make and publish rules and regulations respecting its federally insured mortgage lending, uninsured mortgage lending, construction lending, rehabilitation lending, improvement lending and lending to defray development costs and any such other rules and regulations as are necessary to effectuate its corporate purpose;

(20) To borrow money to carry out and effectuate its corporate purpose and to issue its bonds or notes as evidence of any such borrowing in such principal amounts and upon such terms as shall be necessary to provide sufficient funds for achieving its corporate purpose, except that no notes shall be issued to mature more than 20 years from date of issuance and no bonds shall be issued to mature more than 50 years from date of issuance;

(21) To issue renewal notes, to issue bonds to pay notes and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured except that no such renewal notes shall be issued to mature more than 20 years from date of issuance of the notes renewed and no such refunding bonds shall be issued to mature more than 50 years from the date of issuance;

(22) To apply the proceeds from the sale of renewal notes or refunding bonds to the purchase, redemption, or payment of the notes or bonds to be refunded;

(23) To make grants and provide technical services to assist in the purchase or other acquisition, planning, processing, design, construction, or rehabilitation, improvement, or operation of residential housing, nonresidential projects, or land development: *Provided*, That no such grant or other financial assistance shall be provided except upon a finding by the Housing Development Fund that such assistance and the manner in which it will be provided will preserve and promote residential housing in this state or the interests of this state in maintaining or increasing employment or the tax base;

(24) To provide project assistance services for residential housing, nonresidential projects, and land development, including, but not limited to, management, training, and social and

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other services;

(25) To promote research and development in scientific methods of constructing low-cost land development, residential housing, or nonresidential projects of high durability including grants, loans, or equity contributions for research and development purposes: *Provided*, That no such grant or other financial assistance shall be provided except upon a finding by the Housing Development Fund that such assistance and the manner in which it will be provided will preserve and promote residential housing in this state or the interests of this state in maintaining and increasing employment and the tax base;

(26) With the proceeds from the issuance of notes or bonds of the Housing Development Fund, including, but not limited to, mortgage finance bonds, or with other funds available to the Housing Development Fund for such purpose, to participate in the making of or to make loans to mortgagees approved by the Housing Development Fund and take such collateral security therefor as is approved by the Housing Development Fund and to invest in, purchase, acquire, sell, or participate in the sale of, or take assignments of, notes and mortgages, evidencing loans for the construction, rehabilitation, improvement, purchase, or refinancing of land development, residential housing, or nonresidential projects in this state: *Provided*, That the Housing Development Fund shall obtain such written assurances as shall be satisfactory to it that the proceeds of such loans, investments, or purchases will be used, as nearly as practicable, for the making of or investment in long-term federally insured mortgage loans or federally insured construction loans, uninsured mortgage loans, or uninsured construction loans, for land development, residential housing, or nonresidential projects or that other moneys in an amount approximately equal to such proceeds shall be committed and used for such purpose;

(27) To make or participate in the making of uninsured construction loans for land development, residential housing or nonresidential projects. Such loans shall be made only upon determination by the Housing Development Fund that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(28) To make or participate in the making of long-term uninsured mortgage loans for land development, residential housing, or nonresidential projects. Such loans shall be made only upon determination by the Housing Development Fund that long-term mortgage loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(29) To obtain options to acquire real property, or any interest therein, in its own name, by purchase, or lease or otherwise, which is found by the Housing Development Fund to be suitable, or potentially suitable, as a site, or as part of a site, for land development or the construction of residential housing or nonresidential projects; to hold such real property or to acquire by purchase or otherwise and to transfer by sale or otherwise any ownership or equity interests in any other legal entity which holds such real property; to finance the performance of land development, residential housing, or nonresidential projects on or in

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connection with any such real property or to perform land development, residential housing, or nonresidential projects on or in connection with any such real property; to own, operate, and sponsor or participate in the sponsorship of land development, residential housing, or nonresidential projects; or to sell, transfer and convey, lease, or otherwise dispose of such real property, or lots, tracts, or parcels of such real property, for such prices, upon such terms, conditions, and limitations, and at such time or times as the Housing Development Fund shall determine;

(30) To make loans, with or without interest, but with such security for repayment as the Housing Development Fund determines reasonably necessary and practicable from the land development fund, if created, established, organized, and operated in accordance with the provisions of §31-18-20a of this code, to sponsors of land development, to defray development costs and other costs of land development;

(31) To exercise all of the rights, powers, and authorities of a public housing authority as set forth and provided in §16-15-1 *et seq*. of this code, in any area or areas of the state which the Housing Development Fund shall determine by resolution to be necessary or appropriate;

(32) To provide assistance to urban renewal projects in accordance with the provisions of §16-18-28 of this code and in so doing to exercise all of the rights, powers, and authorities granted in this article or in said article, in and for any communities of the state which the Housing Development Fund shall determine by resolution to be necessary or appropriate;

(33) To make or participate in the making of loans for the purpose of rehabilitating or improving existing residential and temporary housing or nonresidential projects, or to owners of existing residential or temporary housing for occupancy by eligible persons and families for the purpose of rehabilitating or improving such residential or temporary housing or nonresidential projects and, in connection therewith, to refinance existing loans involving the same property. Such loans shall be made only upon determination by the Housing Development Fund that rehabilitation or improvement loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(34) Whenever the Housing Development Fund deems it necessary in order to exercise any of its powers set forth in §31-18-6(29) of this code, and upon being unable to agree with the owner or owners of real property or interest therein sought to be acquired by the fund upon a price for acquisition of private property not being used or operated by the owner in the production of agricultural products, to exercise the powers of eminent domain in the acquisition of such real property or interest therein in the manner provided under §54-1-1 *et seq*. of this code, and the purposes set forth in said subdivision are hereby declared to be public purposes for which private property may be taken. For the purposes of this section, the determination of "use or operation by the owner in the production of agricultural products" means that the principal use of such real estate is for the production of food and fiber by agricultural production other than forestry, and the fund shall not initiate or exercise any powers of eminent domain without first receiving an opinion in writing from both the Governor and the Commissioner of Agriculture of this state that at the time the

fund had first attempted to acquire such real estate or interest therein, such real estate or interest therein was not in fact being used or operated by the owner in the production of agricultural products;

(35) To acquire, by purchase or otherwise, and to hold, transfer, sell, assign, pool, or syndicate, or participate in the syndication of, any loans, notes, mortgages, securities, or debt instruments collateralized by mortgages or interests in mortgages or other instruments evidencing loans or equity interests in or for the construction, rehabilitation, improvement, renovation, purchase, or refinancing of land development, residential housing, and nonresidential projects in this state;

(36) To form one or more nonprofit corporations, whose board of directors shall be the same as the Board of Directors of the Housing Development Fund, which shall be authorized and empowered to carry out any or all of the corporate powers or purposes of the Housing Development Fund, including, without limitation, acquiring limited or general partnership interests and other forms of equity ownership;

(37) To receive and compile data into an electronic database and make available the raw mortgage foreclosure data that is required to be reported to county clerks by trustees pursuant to the provisions of §38-1-8a of this code, including all data that has been received by the banking commissioner pursuant to §31A-2-4c(a) of this code, as of the effective date of the amendments made to said section during the regular session of the 2010 Legislature. This information shall be periodically forwarded by county clerks to the Housing Development Fund, in accordance with the provisions of §44-13-4a of this code;

(38) Provide funding to increase the capacity of nonprofit community housing organizations to serve their communities;

(39) Notwithstanding any other provision of law, no loan may be made or purchased with proceeds of notes or bonds of the Housing Development Fund unless: (i) The related note or bond has received an investment grade rating from a nationally recognized bond-rating agency; or (ii) all payments of principal of and interest on such loan are the subject of credit enhancement that is a senior obligation of a bank, national bank, trust company, savings bank, savings and loan association, insurance company, governmental agency of the United States, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any combination thereof; or (iii) at or prior to the issuance of the related note or bond, permanent financing is in full force and effect which will be drawn upon to pay all unpaid amounts with respect to such loan remaining at its maturity; or (iv) all payments of principal and interest on the related note or bond are the subject of credit enhancement that is a senior obligation of a bank, national bank, trust company, savings bank, savings and loan association, insurance company, governmental agency of the United States, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any combination thereof; or (v) the related note or bond is fully cash-collateralized; or (vi) the related note or bond is a mortgage finance bond; and

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(40) To allocate from time to time a portion of its state ceiling allocation under §13-2C-21(b) of this code to any political subdivision or city or county housing authority authorized to issue bonds or notes for qualified residential rental projects, upon such terms and conditions as the board of directors deems reasonable and appropriate: *Provided*, That any amounts so allocated by the Housing Development Fund that remain unused by December 31 in any year not otherwise subject to a carryforward pursuant to section 146(f) of the Internal Revenue Code shall be allocated to the Housing Development Fund, which shall be considered to have elected to carryforward the unused allocation for the purpose of issuing qualified mortgage bonds, qualified mortgage credit certificates or bonds for qualified residential rental projects, each as defined in the Internal Revenue Code.

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§31-18-6a. Certain loans exempt from laws limiting interest rates or providing forfeitures, etc.

Notwithstanding any other provision to the contrary, no law limiting interest rates or providing for forfeiture, penalty or other loss or liability because of rate of interest charged shall apply to any loan in a principal amount of more than $100,000 on loans made by the Housing Development Fund in the furtherance of its corporate purposes or to any addition to or refinancing of a loan in the original principal amount of more than $100,000, made by the Housing Development Fund for such purposes.

WV Legislature

§31-18-7. Notes or bonds as general obligations of Housing Development Fund.

Except as may otherwise be provided by the Housing Development Fund, every issue of its notes or bonds shall be general obligations of the Housing Development Fund payable out of any revenues or moneys of the Housing Development Fund, subject only to any agreements with the holders of particular notes or bonds pledging any particular receipts or revenues.

WV Legislature

§31-18-8. Notes and bonds as negotiable instruments.

The notes and bonds shall be and hereby are made negotiable instruments under the provisions of article eight, chapter forty-six of this code, subject only to the provisions of the notes or bonds for registration, unless otherwise provided by resolution of the Housing Development Fund.

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§31-18-9. Borrowing of money.

The borrowing of money and the notes and bonds evidencing any such borrowing shall be authorized by resolution approved by the Board of Directors of the Housing Development Fund, shall bear such date or dates, and shall mature at such time or times, in the case of any such note or any renewal thereof, not exceeding 20 years from the date of issue of such original note, and, in the case of any such bond, not exceeding 50 years from the date of issue, as such resolution or resolutions may provide. The notes and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms or conditions of redemption as such resolution or resolutions may provide.

WV Legislature

§31-18-10. Sale of notes or bonds.

Any notes or bonds issued by the West Virginia Housing Development Fund may be sold in such manner, either at public or private sale, and for such price, upon such terms and at such interest rates per annum, as the fund shall determine to be for the best interests of the fund and to be necessary to effectuate the purposes of this article.

WV Legislature

§31-18-11. Authorizing resolutions.

Any resolution or resolutions authorizing any notes or bonds, or any issue thereof, may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(1) Pledging all or part of the mortgage or deed of trust payments, charges and other fees made or received by the Housing Development Fund and other moneys received or to be received to secure the payment of the notes or bonds or of any issue thereof, subject to such agreements with bondholders or noteholders as may then exist;

(2) Pledging all or any part of the assets of the Housing Development Fund to secure the payment of the notes or bonds or any issue of notes or bonds, subject to such agreements with bondholders or noteholders as may then exist;

(3) Pledging as security, or as part of the security, for the payment of any mortgage finance bonds, including, but not limited to mortgage finance bonds issued to pay outstanding notes, amounts payable from the mortgage finance bond insurance fund;

(4) The setting aside of reserves or sinking funds and the regulation and disposition thereof;

(5) Limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and pledging such proceeds to secure the payments of the notes or bonds or of any issue thereof;

(6) Limitations on the issuance of additional notes or bonds; the terms upon which additional notes or bonds may be issued and secured; and the refunding of outstanding or other notes or bonds;

(7) The procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) Limitations on the amount of moneys to be expended by the Housing Development Fund for operating, administrative or other expenses of the Housing Development Fund;

(9) Vesting in a trustee or trustees such property, rights, powers and duties of any trustee appointed by the bondholders pursuant to section sixteen of this article, and limiting or abrogating the right of the bondholders to appoint a trustee under section sixteen of this article or limiting the rights, powers and duties of such trustee; and

(10) Any other matters, of like or different character, which in any way affect the security or protection of the notes or bonds.

WV Legislature

§31-18-12. Validity of any pledge, mortgage, deed of trust or security instrument.

It is the intention hereof that any pledge, mortgage, deed of trust or security instrument made by or for the benefit of the Housing Development Fund, including, but not limited to amounts in the mortgage finance bond insurance fund, shall be valid and binding between the parties from the time the pledge, mortgage, deed of trust or security instrument is made; and that the moneys or property so pledged, encumbered, mortgaged or entrusted shall immediately be subject to the lien of such pledge, mortgage, deed of trust or security instrument without any physical delivery thereof or further act. The lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise, irrespective of whether such parties have notice of the lien of such pledge. Nothing herein shall be construed to prohibit the Housing Development Fund from selling any property subject to any such pledge, mortgage, deed of trust or security instrument. Such property is not to be sold for less than its fair market value.

WV Legislature

§31-18-13. Redemption of notes or bonds.

The Housing Development Fund, subject to such agreements with noteholders or bondholders as may then exist, shall have power, out of any funds available therefor, to purchase notes or bonds of the Housing Development Fund.

If the notes or bonds are then redeemable, the price of such purchase shall not exceed the redemption price then applicable plus accrued interest to the next interest payment date thereon. If the notes or bonds are not then redeemable, the price of such purchase shall not exceed the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date. Upon such purchase such notes or bonds shall be canceled.

WV Legislature

§31-18-14. Disclaimer of any liability of state of West Virginia.

The state of West Virginia shall not be liable on notes, bonds or other evidences of indebtedness of the Housing Development Fund and such notes, bonds or other evidences of indebtedness shall not be a debt of the State of West Virginia, and such notes, bonds or other evidences of indebtedness shall contain on the face thereof a statement to such effect.

WV Legislature

§31-18-15. Limitation of rights vested in Housing Development Fund by state.

The state of West Virginia does hereby pledge to and agree with the holders of any notes or bonds issued under this article, that the state will not limit or alter the rights hereby vested in the Housing Development Fund to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders until such notes or bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses for which the Housing Development Fund is liable in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The Housing Development Fund is hereby authorized to include this pledge and agreement of the state in any agreement with the holders of such notes and bonds.

WV Legislature

§31-18-16. Default in payment of principal or interest.

(a) In the event the Housing Development Fund shall default in the payment of principal of or interest on any issue of notes or bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event the Housing Development Fund shall fail or refuse to comply with the provisions of this article or shall default in any agreement made with the holders of any issue of notes or bonds, the holders of twenty-five per centum in aggregate principal amount of the notes or bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county court of any county in which the Housing Development Fund operates and has an office and acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such notes or bonds for the purposes herein provided.

(b) Any such trustee upon the written request of the holders of twenty-five per centum in principal amount of such notes or bonds then outstanding shall, in his or its own name, do any one or more of the following:

(1) By civil action or other proceeding, enforce all rights of the noteholders or bondholders, including the right to require the Housing Development Fund to perform its duties under this article;

(2) Bring a civil action upon such notes or bonds;

(3) By civil action or other proceeding, require the Housing Development Fund to account as if it were the trustee of an express trust for the holders of such notes or bonds;

(4) By civil action or other proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such notes or bonds;

(5) Declare all such notes or bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of twenty-five per centum of the principal amount of such notes or bonds then outstanding, annul such declaration and its consequences.

(c) In addition to the foregoing, such trustee shall have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

(d) Before declaring the principal of any notes or bonds due and payable, the trustee shall first give thirty days' notice in writing to the Housing Development Fund.

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§31-18-17. Investment in notes and bonds.

The notes and bonds of the Housing Development Fund are hereby made securities in which all insurance companies and associations, and other persons carrying on an insurance business, all banks, bankers, trust companies, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, and other persons, except administrators, guardians, executors, trustees and fiduciaries, who are now or who may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them.

WV Legislature

§31-18-18. Tax exemption.

The Housing Development Fund shall not be required to pay any taxes and assessments to the State of West Virginia, or any county, municipality or other governmental subdivision of the State of West Virginia, upon any of its property or upon its obligations or other evidences of indebtedness pursuant to the provisions of this article, or upon any moneys, funds, revenues or other income held or received by the Housing Development Fund. The notes and bonds of the Housing Development Fund and the income therefrom shall at all times be exempt from taxation, except for death and gift taxes, taxes on transfers, sales taxes, real property taxes and business and occupation taxes.

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§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.

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§31-18-20. Authorized limit on borrowing.

The aggregate principal amount of bonds and notes issued by the Housing Development Fund shall not exceed $1,250,000,000 outstanding at any one time: Provided, That in computing the total amount of bonds and notes which may at any one time be outstanding, the principal amount of any outstanding bonds or notes refunded or to be refunded either by application of the proceeds of the sale of any refunding bonds or notes of the Housing Development Fund or by exchange for any such refunding bonds or notes, shall be excluded.

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§31-18-20a. Land development fund.

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

(b) The purpose of the land development fund is to provide a source from which the Housing Development Fund may finance development costs and land development in this state by making loans or grants therefrom, such loans to be with or without interest and with such security for repayment as the Housing Development Fund deems reasonably necessary and practicable, or by expending moneys therefrom, for development costs and land development in this state.

(c) The Housing Development Fund may invest and reinvest all moneys in the land development fund in any investments authorized under section six of this article, pending the disbursement thereof in connection with the financing of development costs and land development in this state.

(d) No loans shall be made by the Housing Development Fund from the land development 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 for development costs and land development;

(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.

(e) No grants shall be made by the Housing Development Fund from the land development fund except in accordance with a written grant agreement which shall require that the proceeds of all such grants shall be used only for development costs or land development and containing such other terms and provisions as the Housing Development Fund may require to ensure that the public purposes of this article are furthered by such grant.

(f) The Housing Development Fund may expend any income from the financing of development costs and land development with moneys in the land development fund, and

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from investment of such moneys, in payment, or reimbursement, of all expenses of the Housing Development Fund which, as determined in accordance with procedures approved by the board of directors of the Housing Development Fund, are fairly allocable to such financing or its land-development activities: Provided, That no funds from the land development fund shall be used to carry on propaganda, or otherwise attempt to influence legislation.

(g) The Housing Development Fund shall create and establish a special account within the land development fund to be designated as the "special project account" into which the Housing Development Fund shall, effective July 1, 1992, deposit the sum of $10,000,000. Such funds shall be governed, administered and accounted for by the Housing Development Fund as a special purpose account separate and distinct from any other moneys, fund or funds owned or managed by the Housing Development Fund. The sole and exclusive purpose of such account is to provide a source of funds for the financing of infrastructure projects including distribution from time to time to the West Virginia water pollution control revolving fund created pursuant to section three, article two, chapter twenty-two-c of this code: Provided, That such distribution shall not exceed $5,450,000; and distribution from time to time to fund soil conservation projects: Provided, however, That such distribution shall not exceed $4,550,000. Until so disbursed, the moneys initially deposited or thereafter from time to time deposited in such special project account, may be invested and reinvested by the Housing Development Fund as permitted under subdivision (8), section six of this article. Any funds remaining in the special project account on July 1, 1995, shall automatically revert to the General Fund of the Housing Development Fund free of any limitations provided in this section. The provisions of subsections (c), (d), (e) and (f) of this section do not apply to the special project account created in this section.

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§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 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

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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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§31-18-20c. Jobs Development Fund.

There is hereby created and established a special fund to be designated as the Jobs Development Fund into which the Housing Development Fund shall, effective July 1, 1992, deposit the sum of $10 million. Thereafter, the Housing Development Fund shall have no further duty or obligation to, but may in its sole discretion, deposit additional funds. Effective July 1, 2022, such funds shall be governed, administered, and accounted for by the West Virginia Economic Development Authority established pursuant to §31-15-1 *et seq*. of this code as a special purpose account separate and distinct from any other moneys, fund, or funds owned or managed by the authority. The sole and exclusive purpose of such fund shall be to provide a source for distribution from time to time to the jobs investment trust as provided for in §12-7-1 *et seq*. of this code. Upon receipt by the authority from time to time of a written requisition from the trust together with a certificate that the funds so requisitioned will be used in accordance with the provisions of §12-7-1 *et seq*. of this code and are expected to be expended within 30 days after such disbursement to fund a loan or other investment or to pay the operating expenses of the trust, the authority shall disburse the amount so requisitioned. Until so disbursed, the moneys initially deposited or thereafter from time to time deposited in such fund may be invested and reinvested by the authority as permitted under §31-18-6 of this code.

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§31-18-20d. Affordable Housing Fund.

(a) There is hereby created and established a special fund to be designated as the Affordable Housing Fund into which the Housing Development Fund shall deposit the funds received pursuant to §11-15-4c and §11-22-2 of this code. Such funds shall be governed, administered, and accounted for by the Housing Development Fund as a special purpose account separate and distinct from any other moneys, fund or funds owned or managed by the Housing Development Fund. Additionally, the Housing Development Fund shall deposit an additional amount at least equal to the funds received pursuant to §31-18-29 of this code. The moneys deposited in such fund may be invested and reinvested by the Housing Development Fund as authorized under §31-18-6(8) of this code.

(b) The Housing Development Fund shall use the moneys from the Affordable Housing Fund to make, or participate in the making of, loans or grants for eligible activities that shall include, but not be limited to:

(1) Providing funds for new construction, rehabilitation, repair, or acquisition of housing to assist low or moderate income citizens including land and land improvements;

(2) Providing matching funds for federal housing moneys requiring a local or state match;

(3) Providing funds for administrative costs for housing assistance programs or nonprofit organizations eligible for funding pursuant to §31-18-20d(c) of this code if the grants or loans provided will substantially increase the recipient’s access to housing funds or increase its capacity to supply affordable housing;

(4) Providing loan guarantees and other financial mechanisms to facilitate the provision of housing products or services;

(5) Providing funds for down payments, closing costs, foreclosure prevention, home ownership counseling, and security bonds which facilitate the construction, rehabilitation, repair, or acquisition of housing by low to moderate income citizens;

(6) Providing risk underwriting products not provided by private sector entities to facilitate broader accessibility of citizens to other federal or state housing funds or loan programs. The products shall be established using professional risk underwriting standards and separate corporate vehicles may be created and capitalized by the Housing Development Fund to provide the products; and

(7) Providing start-up funds for initial operational expenses of local government programs to reduce substandard housing or inappropriate land use patterns.

(c) Organizations eligible for funding from the Affordable Housing Fund include: (1) Local governments; (2) local government housing authorities; (3) nonprofit organizations recognized as exempt from federal income tax under Section 501(c)(3) of the Internal

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Revenue Code, as amended, codified in 26 U.S.C. § 501(c)(3), and which are organized and operated exclusively for charitable purposes within the meaning of that section, and in accordance with those purposes provide assistance to low or moderate income citizens of this state; and (4) regional or statewide housing assistance organizations that have been recognized as exempt under Section 501(c)(3) of the Internal Revenue Code, as amended, and which provide assistance to low and moderate income or low income citizens of this state.

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§31-18-21. Prohibition on funds inuring to the benefit of or being distributable to directors, officers or private persons; transactions between the Housing Development Fund and directors or officers having certain interests in such transactions.

(a) No part of the funds of the Housing Development Fund, or of the operating loan fund, or of the land development fund, shall inure to the benefit of or be distributable to its directors or officers or other private persons except that the Housing Development Fund shall be authorized and empowered to pay reasonable compensation, other than to the directors, including the chairman, vice chairman and treasurer of the board of directors and the secretary of the board of directors, for services rendered and to make loans and exercise its other powers as previously specified in furtherance of its corporate purpose: Provided, That no such loans shall be made, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of, to any director or officer of the Housing Development Fund.

(b) Notwithstanding any provision contained in paragraph (a) of this section, no loans shall be made by the Housing Development Fund to, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of to, any corporation or other entity in which any officer or director is a stockholder or is otherwise financially interested, unless:

(1) The interest of such director or officer in such transaction is specifically and fully disclosed to the board of directors of the Housing Development Fund at the time it authorizes, approves or ratifies such transaction and the fact and nature of such interest are stated in the minutes of each meeting of the board of directors at which such transaction is considered;

(2) Such transaction is fair and reasonable to the Housing Development Fund; and

(3) In the case of a director, such director abstains from voting or written consent as to the authorization, approval or ratification of such transaction by the board of directors of the Housing Development Fund.

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§31-18-22. Termination or dissolution.

Upon the termination or dissolution, all rights and properties of the Housing Development Fund, including the Operating Loan Fund, the Land Development Fund, the Mortgage Finance Bond Insurance Fund, and the Affordable Housing Fund, shall pass to and be vested in the State of West Virginia, subject to the rights of bondholders, lienholders, and other creditors.

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§31-18-23. Services to the State of West Virginia and its political subdivisions.

(a) The Housing Development Fund may provide technical, consultative and project assistance services to the State of West Virginia and any of its political subdivisions and is hereby authorized to enter into contracts with the State of West Virginia and any of its political subdivisions to provide such services.

(b) The state of West Virginia or any political subdivision thereof is hereby authorized to enter into contracts with the Housing Development Fund for such services and to pay for such services as may be provided to it.

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§31-18-23a. Bond issues under the Federal Revenue Adjustments Act of 1980.

Under subtitle A of Public Law 96-499, which is called the "Mortgage Subsidy Bond Tax Act," a subtitle of the "Revenue Adjustments Act of 1980," this state is permitted to issue up to $200,000,000 per year during the three year life of the act. Pursuant to that act, the Legislature hereby authorizes the West Virginia Housing Development Fund to issue bonds in the aggregate amount of$100,000,000 in the year 1983. County and municipal governments are hereby authorized to issue bonds in the amount of $100,000,000 during the year 1983: Provided, That the allocation to a county or municipality is to be based on a formula using the percentage of the state population residing in the county or municipality based on the 1980 census: Provided, however, That use of the allocation by a county or municipality is conditioned upon such county or municipality providing to the Housing Development Fund an analysis supporting the demand for the bonds to be issued or firm commitments from qualified lenders participating in the program. Each county and municipality shall have until September 30, 1983, to sell bonds allocated under this act, after which time all unused authority is then allocated to the Housing Development Fund. The Housing Development Fund shall determine the manner of reallocation for such unused authority or may itself issue bonds for all or part of the unused authority. Counties and municipalities choosing not to issue bonds may assign any unused authority to another county or municipality upon notification of such action to the Housing Development Fund. Such transfer must result in a sale of bonds by September 30, of that year. Any county or municipality may apply in the manner prescribed by the Housing Development Fund for reallocation or an additional allocation.

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§31-18-24. Annual audit; reports to Joint Committee on Government and Finance; information to joint committee or legislative auditor.

The Housing Development Fund shall cause an annual audit to be made by an independent certified public accountant of its books, accounts, and records, with respect to its receipts, disbursements, contracts, mortgages, leases, assignments, loans, and all other matters relating to its financial operations, including those of the Operating Loan Fund, the Land Development Fund, and the Mortgage Finance Bond Insurance Fund. The person performing such audit shall furnish copies of the audit report to the commissioner of finance and administration, where they shall be placed on file and made available for inspection by the general public. The person performing such audit shall also furnish copies of the audit report to the Speaker of the House of Delegates, the President of the Senate, and the majority and minority leaders of both houses. The audit report shall be transmitted to the Speaker of the House of Delegates, the President of the Senate, and the majority and minority leaders of both houses of the Legislature electronically. Further, the report shall be provided to the legislative librarian to be posted to the legislative website. No hard copy of the audit report shall be issued; however, upon request a hard copy shall be provided.

In addition to the foregoing annual audit report, the Housing Development Fund shall also render every six months to the Joint Committee on Government and Finance a report setting forth in detail a complete analysis of the activities, indebtedness, receipts, and financial affairs of such fund and the Operating Loan Fund, the Land Development Fund, Affordable Housing Fund, and the Mortgage Finance Bond Insurance Fund. Upon demand, the Housing Development Fund shall also submit to the Joint Committee on Government and Finance or the Legislative Auditor any other information requested by such committee or the Legislative Auditor. The report shall be available electronically only, and no hard copy of the report shall be issued; however, upon request a hard copy shall be provided.

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§31-18-25. Severability clause.

If any provision of this article or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the article, and to this end the provisions of this article are severable.

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§31-18-26. Projects not to be deemed public improvements.

No project or business facility acquired, constructed, maintained, or financed in whole or in part by the Housing Development Fund shall be deemed to be a "public improvement" within the meaning of the provisions of article five-a, chapter twenty-one of this code, as a result of such financing.

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§31-18-27. Documentary materials concerning trade secrets; commercial, financial, or personal information; confidentiality.

Any documentary material or data made or received by the Housing Development Fund for the purpose of furnishing assistance, to the extent that such material or data consists of trade secrets, commercial, financial or personal information regarding the financial position or business operation of such business or person, shall not be considered public records and shall be exempt from disclosure pursuant to the provisions of chapter twenty-nine-b of this code. Any discussion or consideration of such trade secrets, commercial, financial or personal information may be held by the Housing Development Fund in executive session closed to the public, notwithstanding the provisions of article nine-a, chapter six of this code: Provided, That the Housing Development Fund shall make publicly available the following information regarding executed loans: (1) the name of the debtor, (2) location(s) of the project, (3) amount of the loan or financial assistance provided by the fund, (4) the purpose of the loan or financial assistance, (5) the term, rate, and interest of the loan, and (6) the fixed assets which serve as security for the loan.

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§31-18-28. West Virginia Property Rescue Initiative: findings; technical assistance and revolving loan program for removal of dilapidated housing; reporting required.

(a) The program set forth in this section shall be known as the "West Virginia Property Rescue Initiative".

(b) The Legislature finds that a great number of dilapidated housing structures exist throughout the state and that county and municipal officials often lack the training and resources to identify, purchase, remove, or rehabilitate these structures and return the property to a condition beneficial to their communities. The Legislature further finds that these structures contribute to increased crime in neighborhoods, including illicit drug use and sales; pose threats to health and safety; decrease the values of surrounding properties; and reduce the quality of life in their communities and neighborhoods. The Legislature further finds that improved properties expand housing opportunities, increase property values and enhance the quality of life in communities and neighborhoods.

(c) The Legislature finds that the housing development fund, as a public body corporate and the state's leading housing authority, has the expertise and resources to lead a property rescue initiative to assist counties and municipalities in removing or rehabilitating dilapidated housing and improving their communities and neighborhoods by providing technical assistance, training and consultation as well as needed financial resources.

(d) The housing development fund shall implement the West Virginia Property Rescue Initiative to provide technical assistance, training and consultation to counties and municipalities which include, but are not limited to, the following: (1) maintaining lists of contractors, developers, nonprofit organizations, disposal companies and land fills available to assist counties and municipalities in the removal or rehabilitation of dilapidated properties; (2) providing information on the use of the West Virginia Property Rescue Initiative in other jurisdictions; and (3) conducting or facilitating seminars in strategic areas of the state to encourage and inform community leaders in counties and municipalities on how to successfully use the West Virginia Property Rescue Initiative to improve their communities and neighborhoods individually and in combination with other counties or municipalities for economies of scale and efficient use of local resources.

(e) For the purpose of the West Virginia Property Rescue Initiative, the housing development fund shall establish and fund a revolving loan program to make funding available to counties and municipalities for the removal of dilapidated structures on such terms for repayment of loans, with or without interest, as the housing development fund finds appropriate and to provide technical assistance, training and consulting services to counties and municipalities regarding the identification, purchase, removal and rehabilitation of properties to maximize the benefits of the West Virginia Property Rescue Initiative on an ongoing basis, with a commitment by the housing development fund to deposit at least $5 million dollars to the West Virginia Property Rescue Initiative Revolving Loan Fund over a five year period beginning on July, 2015, at the rate of at least $1 million dollars per fiscal year.

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(f) Notwithstanding any other provision to the contrary, the revolving loan fund established in this section shall not be considered or construed as an obligation of the state.

(g) To enhance the success of the West Virginia Property Rescue Initiative, the housing development fund may, as a form of its technical assistance, seek grants and awards of funding to be made to the housing development fund or directly to counties and municipalities for their property rescue initiatives, from public and private organizations and government agencies, federal and state, in order to provide both for additional funding for the property rescue revolving loan fund or the repayment of loans and for grants to counties and municipalities with dire need and limited resources such that special aid and funding is needed to begin and complete their local property rescue initiatives.

(h) The executive director of the housing development fund shall report on the West Virginia Property Rescue Initiative to the Joint Committee on Government and Finance annually during the initial five years of the West Virginia Property Rescue Initiative. At the end of the initial five years of the West Virginia Property Rescue Initiative, the housing development fund board of directors shall evaluate participation and success of the West Virginia Property Rescue Initiative as well as other aspects of the West Virginia Property Rescue Initiative in order determine whether and how to adjust services and levels of funding under this section.

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§31-18-29. Dissolution of West Virginia Affordable Housing Trust Fund.

Upon termination of the West Virginia Affordable Housing Trust Fund, the Housing Development Fund shall provide for the payment of all debts, obligations, or expenses of the Affordable Housing Trust Fund, and all assets remaining in the Affordable Housing Trust Fund shall be transferred to the West Virginia Housing Development Fund.

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