WEST VIRGINIA CODE: §8-20A-3

§8-20A-3. Neighborhood rehabilitation fund.

(a) Any municipality or county shall have plenary power and authority, by charter provision, ordinance or resolution, to establish a special fund of moneys made available by appropriation, grant, contribution, loan or otherwise, to be known as the neighborhood rehabilitation fund of such municipality or county, to be governed, administered and accounted for by the governing body of such municipality or county, as a special purpose account, separate and distinct from any other moneys, fund or funds owned by such municipality or county.

(b) The governing body of any municipality or county may, from time to time, by resolution, establish criteria which shall govern the determination of persons who qualify as eligible owners and the amount of assistance to such owners.

(c) The purpose of such neighborhood rehabilitation fund shall be to provide funds for the making of grants and loans, or to guarantee the repayment of loans made by private lenders, to eligible residents of such municipality or county, the proceeds of which loans and grants are to be used exclusively for rehabilitation.

(d) Such loans shall be made or guaranteed and grants made only upon determination by the governing body of such municipality or county, or by a board or commission appointed for such purpose by such governing body, that the recipients are eligible owners, that the proceeds of the loan or grant shall be used for rehabilitation and that loans or grants to such eligible recipients for rehabilitation are not otherwise available upon reasonably equivalent terms and conditions: Provided, That grants may be given only for the rehabilitation of residences occupied by their owners.

(e) No loan shall be made or guaranteed by such municipality or county except in accordance with a written agreement between such municipality or county, the eligible owner and in the case of a guaranteed loan the lender making such loan, which agreement shall provide, without limitation, that:

(1) The proceeds of such loan shall be used exclusively for rehabilitation;

(2) The loan shall be in such principal amount, repayable in such number of consecutive and substantially equal monthly installments at such annual rate of interest and shall be secured in such manner as specified in such agreement;

(3) In the case of a guaranteed loan, such municipality or county shall be obligated to repay, from the neighborhood rehabilitation fund established in accordance with this article, any installment or installments of such loan as shall be in default from time to time in accordance with the provisions of such agreement;

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(4) In the event an eligible owner defaults on such loan made by such municipality or county, or in the event such municipality or county incurs an obligation on a guaranteed loan, such municipality or county shall be entitled, at its option, to realize on any and all security for said loan: Provided, That the right of such municipality or county to realize on such security with respect to a guaranteed loan shall be subordinate and secondary to the right of the lender as to such security, to the extent of the unpaid balance of such loan.

(f) Nothing in this article contained shall be so construed as to authorize any municipality or county to make any contract or incur any obligation or liability of any kind or nature, except such as shall be discharged or payable solely from the funds on deposit in such neighborhood rehabilitation fund.

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