WEST VIRGINIA CODE CHAPTER 8 ARTICLE 20A

WV Legislature

§8-20A-1. Legislative findings and purpose.

(a) The Legislature hereby finds and declares that the lack of safe, decent, sanitary and affordable owner-occupied and rental dwellings is one of the most serious problems facing this state and that a major contributing factor to this problem is the deterioration of the state's existing housing stock; that these deteriorating dwellings exist in both the urban and rural areas of the state; that a disproportionate number of owners of these deteriorating dwellings are older, less affluent and otherwise less able to afford the expense of the remodeling, repairing and rehabilitating of their residences necessary to maintain such residences in a sanitary, safe and decent condition; that because of the lack of acceptable loan collateral, the age of their residences and the location and age of the neighborhoods in which their residences are located, many of such owners have not been able to borrow funds necessary to effect such remodeling, repair and rehabilitation; and that some of such homeowners who have been able to obtain funds for such purposes have been able to do so only upon rates of interest and upon other terms and conditions which are particularly onerous and disadvantageous to such owners.

(b) The Legislature further finds and declares that the assistance authorized in this article will provide, and will encourage private lenders to provide, to such owners, more readily and at rates of interest and upon other terms and conditions significantly more favorable to such owners, the loans necessary to finance the cost of such remodeling, repair and rehabilitation.

(c) The Legislature further finds and declares that the powers granted to municipalities and counties in this article will enable them to maximize the use of federal programs for housing rehabilitation.

(d) The Legislature further finds and declares that it is manifestly in the public interest to foster the pride, self-respect and esteem incident to home ownership and to encourage and assist in the maintenance of residences, both owner occupied and rental, in a safe, decent and sanitary condition; that without the assistance authorized in this article, there will be continued deterioration of housing with the resultant proliferation of slums, higher crime rates and general decline in civic pride, public spirit and the quality of life, with all of the public cost, direct and indirect, attendant thereon; and that accordingly by providing such assistance, any municipality or county will be acting in all respects for the benefit of the people of the State of West Virginia and shall thereby serve a public purpose in improving and otherwise promoting their health, welfare and prosperity. In order to carry out the general purposes stated herein, the Legislature further declares that the governing body of any county or municipality shall, insofar as it may deem reasonable and proper, give preference to the rehabilitation of owner-occupied dwellings when making grants or loans under this article.

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§8-20A-2. Definitions.

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

(1) "Eligible dwelling" means real estate upon which there is located a structure designed primarily for residential housing and consisting of dwelling units for not more than thirty families: Provided, That all ownership thereof shall be limited to persons who would qualify as eligible owners.

(2) "Eligible owner" means a person or persons residing within the boundaries of a municipality or county, and owning an eligible dwelling within the boundaries of that municipality or county, irrespective of race, creed, national origin or sex, with respect to whom it is determined by the governing body of such municipality or county that (a) such person or persons, because of financial condition, age, infirmity, family size or other reasons, is unable to obtain, on suitable terms and conditions, loans or other credit necessary for the rehabilitation of such eligible dwelling, and hence requires the assistance as provided in this article, (b) such rehabilitation is necessary to place such eligible dwelling in a safe, sanitary and decent condition, and (c) the assistance as authorized in this article shall make financing available to such person or persons, or enable such person or persons, to obtain such financing on terms and conditions substantially more favorable to such person or persons than would otherwise be available.

(3) "Rehabilitation" means a specific work of improvement within a municipality or county undertaken primarily to remodel, repair or rehabilitate an eligible dwelling.

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§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;

(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

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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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§8-20A-4. Inspection and technical assistance.

In addition to all other powers and rights of a municipality or county, any municipality or county shall have plenary power and authority, at the request of eligible owners, to inspect the residences of such eligible owners, to make recommendations concerning rehabilitation and to provide all manner of technical services and assistance in the planning, processing and design of needed rehabilitation.

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§8-20A-5. Deferral of repayment.

The governing body of a municipality or county may, at its discretion, establish criteria for extreme hardship (by reason of age, low income, disability or other factors) applicable to an eligible owner, and which criteria will permit deferral of repayment of a portion or of all the loan until a definite future date, the death of the eligible owner or the sale of the "eligible dwelling" to another owner, whichever occurs first. The eligible owner for the purposes of this section shall be interpreted as the person in whom title of the property is vested or the spouse of said eligible owner at the time the rehabilitation loan or grant, or both, is provided.

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