WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1970

ENROLLED

HOUSE BILL No. 600

(By Mr. Spade, Mr. Bransky, and Mr. Watson)

PASSED July 12, 1970

In Effect Passage

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 8-18-70
ENROLLED
House Bill No. 600
(By Mr. Speaker, Mr. Boiarisky, and Mr. Watson)

(Passed February 12, 1970; in effect from passage.)

AN ACT to amend and reenact sections two, six, nine and twenty, article eighteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the West Virginia housing development fund, legislative findings and purposes, the addition of new legislative findings and purposes relating to the need for long-term federally insured mortgage loans to sponsors of residential housing for persons and families of low and moderate income and to persons and families of low and moderate income, the powers of the fund and the addition of the power to make long-term federally insured mortgage loans to sponsors of residential housing for persons and families of low and moderate income and
to persons and families of low and moderate income, and the addition of the power to take as collateral security, invest in, purchase, acquire, sell and take assignments of notes and mortgages evidencing such long-term loans, repealing the requirement that the amount borrowed and evidenced by negotiable bonds not exceed the amount reasonably estimated, at time of issuance, to be required for the purpose of making federally insured construction loans for a period of two years, providing that no negotiable bonds shall be issued to mature more than fifty years from date of issuance, authorizing the fund to borrow up to one hundred thirty million dollars and to issue its negotiable bonds and notes up to such principal amount as evidence of such borrowing, and providing that the aggregate principal amount of such bonds and notes outstanding at any one time, other than bonds or notes refunded or to be refunded, shall not exceed one hundred thirty million dollars.

*Be it enacted by the Legislature of West Virginia:*

That sections two, six, nine and twenty, article eighteen,
chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, to read as follows:

ARTICLE 18. WEST VIRGINIA HOUSING DEVELOPMENT FUND.

§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 construc-
tion 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 ac-
tions or natural disaster be increased; and that private
enterprise and investment be encouraged both to spon-
sor land development for residential housing for such
persons and families and to sponsor, build and rehabili-
tate residential housing for such persons and families,
and that private financing be supplemented by financing
as in this act provided, to help prevent the recurrence
of slum conditions and blight and assist in their perma-
nent elimination throughout West Virginia.

(c) The Legislature hereby finds and declares further
that its intention by enacting this legislation is to pro-
vide for the creation and establishment of the West Vir-
Virginia housing development fund, the corporate purpose of which is to provide temporary financing for development costs, land development and residential housing construction to public and private sponsors of land development for residential housing or residential housing, new or rehabilitated, for sale or rental to persons and families of low and moderate income; further to provide long-term federally insured mortgage financing to public and private sponsors of residential housing for occupancy by persons and families of low and moderate income and to persons and families of low and moderate income who may purchase such housing; further to provide technical, consultative and project assistance services to public and private sponsors of such land development of residential housing; further to increase the construction of low and moderate income housing through the purchase or investment in long-term federal mortgages or federally insured mortgages on housing for persons and families of low and moderate income constructed in this state thereby increasing the supply of long-term mortgage financing and freeing funds avail-
able therefor for use in short-term construction financing;
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.

(d) The Legislature hereby finds and declares further
that in accomplishing this purpose, the West Virginia
housing development fund, 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 pur-
pose in improving and otherwise promoting their health,
welfare and prosperity, and that the West Virginia hous-
ing development fund, so created and established, is em-
powered, 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.

§31-18-6. Corporate powers.

The housing development fund is hereby granted,
has and may exercise all powers necessary or appro-
piate 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 for residential housing for occupancy by persons or families of low and moderate income or residential housing for occupancy by persons or families of low and moderate income who are eligible or potentially eligible for federally insured mortgages or federal mortgages. 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 section nineteen of this article, to defray development costs to sponsors of land development for residential housing for occupancy by persons and families of low and moderate income or residential housing construction for occupancy by per-
sons and families of low and moderate income which is eligible or potentially eligible for federally insured construction loans, federally insured mortgages or federal mortgages;

(3) To make or participate in the making of long-term federally insured mortgage loans to sponsors of residential housing for occupancy by persons and families of low and moderate income, or to persons and families of low and moderate income who may purchase such residential housing who are eligible or potentially eligible for federally insured mortgages or federal mortgages. 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 accept appropriations, gifts, grants, bequests and devises, and to utilize or dispose of the same to carry out its corporate purpose;

(5) 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;

(6) To collect reasonable fees and charges in con-
nection with making and servicing its loans, notes, bonds,
obligations, commitments and other evidences of in-
debtedness, and in connection with providing technical,
consultative and project assistance services. Such fees
and charges shall be limited to the amounts required
to pay the costs of the housing development fund, in-
cluding operating and administrative expenses, and rea-
sonable allowances for losses which may be in-
curred;

(7) To invest any funds not required for immediate
disbursement in obligations of the state of West Vir-
ginia or in direct obligations of the United States gov-
ernment or in obligations the principal of which and
interest on which are guaranteed by the state of West
Virginia, or the United States government or any in-
strumentality thereof;

(8) To sue and be sued;

(9) To have a seal and alter the same at will;
(10) To make, and from time to time, amend and repeal bylaws, rules and regulations not inconsistent with the provisions of this article;

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

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

(13) 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;

(14) 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 such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property to a tenant;
(15) To sell, at public or private sale, any mortgage or other negotiable instrument or obligation securing a construction, land development, mortgage or temporary loan;

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

(17) 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 any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the housing development fund is a party;

(18) To make and publish rules and regulations respecting its federally insured mortgage lending, construction lending and temporary lending to defray development costs and any such other rules and regulations as are necessary to effectuate its corporate purpose;
To borrow money to carry out and effectuate its corporate purpose and to issue its negotiable 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 negotiable notes shall be issued to mature more than ten years from date of issuance and no negotiable bonds shall be issued to mature more than fifty years from date of issuance.

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 ten years from date of issuance of the notes renewed and no such refunding bonds shall be issued to mature more than fifty years from date of issuance;

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;

(22) To provide technical services to assist in the planning, processing, design, construction or rehabilitation of residential housing for occupancy by persons and families of low and moderate income or land development for residential housing for occupancy by persons and families of low and moderate income;

(23) To provide consultative project assistance services for residential housing for occupancy by persons and families of low and moderate income and for land development for residential housing for occupancy by persons and families of low and moderate income, and for the residents thereof with respect to management, training and social services;

(24) To promote research and development in scientific methods of constructing low cost residential housing of high durability; and

(25) To participate in the making of or to make loans to qualified federally approved mortgages and in connection therewith, or independently thereof, to take as collateral security, invest in, purchase, acquire, sell
or participate in the sale of, or take assignments of, notes and mortgages, evidencing loans for the construction, rehabilitation, purchase, or refinancing of housing for persons and families of low and moderate income in this state: Provided, That the 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 for low and moderate income housing in this state or that other moneys in an amount approximately equal to such proceeds shall be committed and used for such purpose.


1 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 ten years from the date of issue of such original note, and,
in the case of any such bond, not exceeding fifty 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.


The aggregate principal amount of bonds and notes issued by the housing development fund shall not exceed one hundred thirty million dollars outstanding at any one time: Provided, however, 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.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tampar
Chairman Senate Committee

Claytor C. Davidson
Chairman House Committee

Originated in the House.

Takes effect from passage.

Jerome W. Hagerty
Clerk of the Senate

C.A. Pricekenshies
Clerk of the House of Delegates

Lloyd H. Jackson
President of the Senate

Sam F. Bussey
Speaker House of Delegates

The within approved this the 17th day of February, 1970.

Arch A. Share Jr.
Governor
PRESENTED TO THE
GOVERNOR

Date 2/14/70
Time 2:47 p.m.