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WEST VIRGINIA LEGISLATURE

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1970



ENROLLED

HOUSE BILL No. 600

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



PASSED Feb 12, 1970

In Effect [Signature] Passage



600

FILED IN THE OFFICE
JOHN D. RODNEFELLER, IV
SECRETARY OF STATE
THIS DATE 2-18-70

ENROLLED
House Bill No. 600

(By MR. SPEAKER, MR. BOIARSKY, 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.

1 (a) The Legislature hereby finds and declares that
2 as a result of public actions involving highways, public
3 facilities, flood control projects, and urban renewal activi-
4 ties, and as a result of the spread of slum conditions and
5 blight to formerly sound urban and rural neighborhoods,
6 there exists in the state of West Virginia a serious short-
7 age of sanitary, decent and safe residential housing avail-
8 able at low prices or rentals to persons and families of low
9 and moderate income. This shortage is severe in certain
10 urban areas of the state, is especially critical in the
11 rural areas of West Virginia, and is inimical to the health,
12 welfare and prosperity of all residents of the state and to
13 the sound growth of West Virginia communities.

14 (b) The Legislature hereby finds and declares further
15 that private enterprise and investment have not been
16 able to produce, without assistance, the needed construc-

17 tion of sanitary, decent and safe residential housing at
18 low prices or rentals which persons and families of low
19 and moderate income can afford, to provide sufficient
20 long-term mortgage financing for residential housing for
21 occupancy by persons and families of low and moderate
22 income, or to achieve the urgently needed rehabilitation
23 of much of the present low and moderate income housing
24 stock. It is imperative that the supply of residential
25 housing for persons and families displaced by public ac-
26 tions or natural disaster be increased; and that private
27 enterprise and investment be encouraged both to spon-
28 sor land development for residential housing for such
29 persons and families and to sponsor, build and rehabili-
30 tate residential housing for such persons and families,
31 and that private financing be supplemented by financing
32 as in this act provided, to help prevent the recurrence
33 of slum conditions and blight and assist in their perma-
34 nent elimination throughout West Virginia.

35 (c) The Legislature hereby finds and declares further
36 that its intention by enacting this legislation is to pro-
37 vide for the creation and establishment of the West Vir-

38 ginia housing development fund, the corporate purpose
39 of which is to provide temporary financing for develop-
40 ment costs, land development and residential housing
41 construction to public and private sponsors of land de-
42 velopment for residential housing or residential housing,
43 new or rehabilitated, for sale or rental to persons and
44 families of low and moderate income; further to pro-
45 vide long-term federally insured mortgage financing to
46 public and private sponsors of residential housing for
47 occupancy by persons and families of low and moderate
48 income and to persons and families of low and moderate
49 income who may purchase such housing; further to pro-
50 vide technical, consultative and project assistance ser-
51 vices to public and private sponsors of such land develop-
52 ment of residential housing; further to increase the con-
53 struction of low and moderate income housing through
54 the purchase or investment in long-term federal mort-
55 gages or federally insured mortgages on housing for
56 persons and families of low and moderate income con-
57 structed in this state thereby increasing the supply of
58 long-term mortgage financing and freeing funds avail-

59 able therefor for use in short-term construction financing;
60 and finally to assist in coordinating federal, state, regional
61 and local public and private efforts and resources to
62 otherwise increase the supply of such residential housing.

63 (d) The Legislature hereby finds and declares further
64 that in accomplishing this purpose, the West Virginia
65 housing development fund, created and established by
66 this article, is acting in all respects for the benefit of the
67 people of the state of West Virginia to serve a public pur-
68 pose in improving and otherwise promoting their health,
69 welfare and prosperity, and that the West Virginia hous-
70 ing development fund, so created and established, is em-
71 powered, hereby, to act on behalf of the state of West
72 Virginia and its people in serving this public purpose
73 for the benefit of the general public.

§31-18-6. Corporate powers.

1 The housing development fund is hereby granted,
2 has and may exercise all powers necessary or appro-
3 priate to carry out and effectuate its corporate purpose,
4 including but not limited to the following:

5 (1) To make or participate in the making of federally
6 insured construction loans to sponsors of land develop-
7 ment for residential housing for occupancy by persons
8 or families of low and moderate income or residential
9 housing for occupancy by persons or families of low
10 and moderate income who are eligible or potentially
11 eligible for federally insured mortgages or federal
12 mortgages. Such loans shall be made only upon deter-
13 mination by the housing development fund that con-
14 struction loans are not otherwise available, wholly or
15 in part, from private lenders upon reasonably equivalent
16 terms and conditions;

17 (2) To make temporary loans, with or without in-
18 terest, but with such security for repayment as the
19 housing development fund determines reasonably neces-
20 sary and practicable, from the operating loan fund; if
21 created, established, organized and operated in accor-
22 dance with the provisions of section nineteen of this
23 article, to defray development costs to sponsors of land
24 development for residential housing for occupancy by
25 persons and families of low and moderate income or
26 residential housing construction for occupancy by per-

27 sons and families of low and moderate income which
28 is eligible or potentially eligible for federally insured
29 construction loans, federally insured mortgages or fed-
30 eral mortgages;

31 (3) To make or participate in the making of long-
32 term federally insured mortgage loans to sponsors of
33 residential housing for occupancy by persons and fam-
34 ilies of low and moderate income, or to persons and
35 families of low and moderate income who may pur-
36 chase such residential housing who are eligible or po-
37 tentially eligible for federally insured mortgages or
38 federal mortgages. Such loans shall be made only upon
39 determination by the housing development fund that
40 long-term mortgage loans are not otherwise available,
41 wholly or in part, from private lenders upon reasonably
42 equivalent terms and conditions.

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

46 (5) To make and execute contracts, releases, com-
47 promises, compositions and other instruments necessary

48 or convenient for the exercise of its powers, or to carry
49 out its corporate purpose;

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

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

67 (8) To sue and be sued;

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

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

72 (11) To appoint such officers, employees and con-
73 sultants as it deems advisable and to fix their compen-
74 sation and prescribe their duties;

75 (12) To acquire, hold and dispose of personal prop-
76 erty for its corporate purposes;

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

81 (14) To acquire real property, or an interest therein,
82 in its own name, by purchase or foreclosure, where such
83 acquisition is necessary or appropriate to protect any
84 loan in which the housing development fund has an
85 interest and to sell, transfer and convey any such prop-
86 erty to a buyer and, in the event such sale, transfer
87 or conveyance cannot be effected with reasonable prompt-
88 ness or at a reasonable price, to lease such prop-
89 erty to a tenant;

90 (15) To sell, at public or private sale, any mortgage
91 or other negotiable instrument or obligation securing
92 a construction, land development, mortgage or tempor-
93 ary loan;

94 (16) To procure insurance against any loss in con-
95 nection with its property in such amounts, and from
96 such insurers, as may be necessary or desirable;

97 (17) To consent, whenever it deems it necessary or
98 desirable in the fulfillment of its corporate purpose,
99 to the modification of the rate of interest, time of pay-
100 ment or any installment of principal or interest, or
101 any other terms, of any mortgage loan, mortgage loan
102 commitment, construction loan, temporary loan, contract
103 or agreement of any kind to which the housing develop-
104 ment fund is a party;

105 (18) To make and publish rules and regulations re-
106 specting its federally insured mortgage lending, con-
107 struction lending and temporary lending to defray de-
108 velopment costs and any such other rules and regu-
109 lations as are necessary to effectuate its corporate pur-
110 pose;

111 (19) To borrow money to carry out and effectuate
112 its corporate purpose and to issue its negotiable bonds
113 or notes as evidence of any such borrowing in such prin-
114 cipal amounts and upon such terms as shall be neces-
115 sary to provide sufficient funds for achieving its cor-
116 porate purpose, except that no negotiable notes shall
117 be issued to mature more than ten years from date of
118 issuance and no negotiable bonds shall be issued to
119 mature more than fifty years from date of issuance.

120 (20) To issue renewal notes, to issue bonds to pay
121 notes and, whenever it deems refunding expedient,
122 to refund any bonds by the issuance of new bonds,
123 whether the bonds to be refunded have or have not
124 matured except that no such renewal notes shall be
125 issued to mature more than ten years from date of issu-
126 ance of the notes renewed and no such refunding bonds
127 shall be issued to mature more than fifty years from
128 date of issuance;

129 (21) To apply the proceeds from the sale of renewal
130 notes or refunding bonds to the purchase, redemption,

131 or payment of the notes or bonds to be refunded;

132 (22) To provide technical services to assist in the
133 planning, processing, design, construction or rehabili-
134 tation of residential housing for occupancy by persons
135 and families of low and moderate income or land de-
136 velopment for residential housing for occupancy by per-
137 sons and families of low and moderate income;

138 (23) To provide consultative project assistance serv-
139 ices for residential housing for occupancy by persons
140 and families of low and moderate income and for land
141 development for residential housing for occupancy by
142 persons and families of low and moderate income, and
143 for the residents thereof with respect to management,
144 training and social services;

145 (24) To promote research and development in scien-
146 tific methods of constructing low cost residential hous-
147 ing of high durability; and

148 (25) To participate in the making of or to make loans
149 to qualified federally approved mortgages and in con-
150 nection therewith, or independently thereof, to take
151 as collateral security, invest in, purchase, acquire, sell

152 or participate in the sale of, or take assignments of,
153 notes and mortgages, evidencing loans for the construc-
154 tion, rehabilitation, purchase, or refinancing of housing
155 for persons and families of low and moderate income
156 in this state: *Provided*, That the fund shall obtain such
157 written assurances as shall be satisfactory to it that
158 the proceeds of such loans, investments or purchases
159 will be used, as nearly as practicable, for the making
160 of or investment in long-term federally insured mort-
161 gage loans or federally insured construction loans for
162 low and moderate income housing in this state or that
163 other moneys in an amount approximately equal to such
164 proceeds shall be committed and used for such purpose.

§31-18-9. Borrowing of money.

1 The borrowing of money and the notes and bonds
2 evidencing any such borrowing shall be authorized by
3 resolution approved by the board of directors of the
4 housing development fund, shall bear such date or dates,
5 and shall mature at such time or times, in the case of
6 any such note or any renewal thereof, not exceeding ten
7 years from the date of issue of such original note, and,

8 in the case of any such bond, not exceeding fifty years
9 from the date of issue, as such resolution or resolutions
10 may provide. The notes and bonds shall bear interest
11 at such rate or rates, be in such denominations, be in
12 such form, either coupon or registered, carry such regis-
13 tration privileges, be executed in such manner, be pay-
14 able in such medium of payment, at such place or places,
15 and be subject to such terms or conditions of redemption
16 as such resolution or resolutions may provide.

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

1 The aggregate principal amount of bonds and notes
2 issued by the housing development fund shall not exceed
3 one hundred thirty million dollars outstanding at any
4 one time: *Provided, however,* That in computing the
5 total amount of bonds and notes which may at any one
6 time be outstanding, the principal amount of any out-
7 standing bonds or notes refunded or to be refunded
8 either by application of the proceeds of the sale of any
9 refunding bonds or notes of the housing development
10 fund or by exchange for any such refunding bonds or
11 notes, shall be excluded.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompa
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect from passage.

Howard Meyer
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Steph. B. Jackson
President of the Senate

Sam F. Boundary
Speaker House of Delegates

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

Arch A. Moore, Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 2/14/70

Time 2:47 p.m.