

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1972

ENROLLED

SENATE BILL NO. 351

(By Mr. BROTHERTON)

PASSED MARCH 6 1972

In Effect FROM Passage



OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA

MAR 29 11 37 PM '72

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 3-29-72

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ENROLLED
Senate Bill No. 351
(By MR. BROTHERTON)

[Passed March 6, 1972; in effect from passage.]

AN ACT to amend and reenact sections two, three, six, nineteen and twenty-one, 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 concerning the desirability of occupancy of some units in residential housing developments for low and moderate income persons and families by persons and families of higher income, the need for federally insured construction loans, uninsured construction loans, and long-term uninsured 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 definition of certain terms, and the addition of definitions of certain terms; the powers of the fund and the addition of powers respecting the types of investments that the fund may make with funds not required for immediate disbursement, the making and publishing of rules and regulations respecting uninsured mortgage lending by the fund, the making of uninsured construction loans and long-term uninsured mortgage loans, and the acquisition, holding, developing and selling or otherwise disposing of real property, and interests in real property; and the addition of the limitation that no real property shall be purchased or leased by the fund from, or sold, leased or otherwise disposed of by the fund to, any director or officer of the fund.

Be it enacted by the Legislature of West Virginia:

That sections two, three, six, nineteen and twenty-one, 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 as a
2 result of public actions involving highways, public facil-
3 ities, flood control projects, and urban renewal activities,
4 and as a result of the spread of slum conditions and blight
5 to formerly sound urban and rural neighborhoods, there
6 exists in the state of West Virginia a serious shortage of
7 sanitary, decent and safe residential housing available at
8 low prices or rentals to persons and families of low and
9 moderate income. This shortage is severe in certain urban
10 areas of the state, is especially critical in the rural areas
11 of West Virginia, and is inimical to the health, welfare
12 and prosperity of all residents of the state and to the
13 sound growth of West Virginia communities.

14 (b) The Legislature hereby finds and declares further
15 that private enterprise and investment have not been able
16 to produce, without assistance, the needed construction
17 of sanitary, decent and safe residential housing at low
18 prices or rentals which persons and families of low and
19 moderate income can afford, to provide sufficient long-
20 term mortgage financing for residential housing for oc-
21 cupancy by persons and families of low and moderate in-
22 come, 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
26 actions or natural disaster be increased; and that private
27 enterprise and investment be encouraged both to sponsor
28 land development for residential housing for such per-
29 sons and families and to sponsor, build and rehabilitate
30 residential housing for such persons and families, and
31 that private financing be supplemented by financing as
32 in this article provided, to help prevent the recurrence of
33 slum conditions and blight and assist in their permanent
34 elimination throughout West Virginia.

35 (c) The Legislature hereby finds and declares further
36 that experience has demonstrated that concentration in

37 residential housing developments of only persons and
38 families who, without some form of private or public as-
39 sistance, do not have incomes sufficient to afford sanitary,
40 decent and safe residential housing frequently does not
41 eliminate undesirable social conditions and frequently
42 does not permanently eliminate slum conditions, and that
43 in such instances occupancy of some of the residential
44 housing units in such residential housing developments
45 by persons and families of higher income is desirable and
46 beneficial in achieving the stated public purposes for en-
47 acting this legislation.

48 (d) The Legislature hereby finds and declares further
49 that its intention by enacting this legislation is to provide
50 for the creation and establishment of the West Virginia
51 housing development fund, the corporate purpose of
52 which is to provide temporary financing for development
53 costs, land development and residential housing con-
54 struction to public and private sponsors of land develop-
55 ment for residential housing or residential housing, new
56 or rehabilitated, for sale or rental to persons and families
57 of low and moderate income; further to provide federally
58 insured construction loans to sponsors of land develop-
59 ment for residential housing for occupancy by persons
60 and families of low and moderate income or residential
61 housing for occupancy by persons and families of low
62 and moderate income who are eligible or potentially
63 eligible for federally insured mortgages or federal mort-
64 gages; further to provide uninsured construction loans to
65 sponsors of land development for residential housing or
66 residential housing for occupancy by persons and families
67 of low and moderate income and to persons and families of
68 low and moderate income who may construct such hous-
69 ing; further to provide long-term federally insured mort-
70 gage financing to public and private sponsors of residential
71 housing for occupancy by persons and families of low and
72 moderate income and to persons and families of low and
73 moderate income who may purchase such housing; further
74 to provide long-term uninsured mortgage financing to
75 public and private sponsors of residential housing for
76 occupancy by persons and families of low and moderate
77 income and to persons and families of low and moderate

78 income who may purchase such housing; further to pro-
79 vide technical, consultative and project assistance service
80 to public and private sponsors of such land development of
81 residential housing; further to increase the construction
82 of low and moderate income housing through the purchase
83 or investment in long-term federal mortgages or federally
84 insured mortgages, or uninsured mortgages, on housing
85 for persons and families of low and moderate income con-
86 structed in this state thereby increasing the supply of
87 long-term mortgage financing and freeing funds avail-
88 able therefor for use in short-term construction financing;
89 and finally to assist in coordinating federal, state, regional
90 and local public and private efforts and resources to
91 otherwise increase the supply of such residential hous-
92 ing.

*OK
C. B. DeLoach
J. E. [unclear]*

93 (e) The Legislature hereby finds and declares further
94 that in accomplishing this purpose, the West Virginia
95 housing development fund, created and established by
96 this article, is acting in all respects for the benefit of the
97 people of the state of West Virginia to serve a public pur-
98 pose in improving and otherwise promoting their health,
99 welfare and prosperity, and that the West Virginia hous-
100 ing development fund, so created and established, is em-
101 powered, hereby, to act on behalf of the state of West
102 Virginia and its people in serving this public purpose for
103 the benefit of the general public.

§31-18-3. Definitions.

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

3 (1) "Development costs" means the costs approved by
4 the housing development fund as appropriate expendi-
5 tures by the housing development fund, or by sponsors
6 of land development for residential housing or residential
7 housing, within this state, prior to commitment and ini-
8 tial advance of the proceeds of a federally insured con-
9 struction loan, federally insured mortgage or federal
10 mortgage, or other public assistance programs, or unin-
11 sured construction loan, or uninsured mortgage loan and
12 for which temporary loans may be made by the housing
13 development fund, including but not limited to:

14 (a) Payments for options to purchase properties on
15 the proposed residential housing site, deposits on con-
16 tracts of purchase, or, with prior approval of the housing
17 development fund, payments for the purchase of such
18 properties;

19 (b) Legal and organizational expenses, including pay-
20 ments of attorneys' fees, project manager and clerical
21 staff salaries, office rent and other incidental expenses;

22 (c) Payment of fees for preliminary feasibility studies,
23 advances for planning, engineering and architectural
24 work;

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

27 (e) Necessary application and other fees;

28 (2) "Federally insured construction loan" means a
29 construction loan for land development for residential
30 housing or residential housing which is either secured by
31 a federally insured mortgage or a federal mortgage, or
32 which is insured by the United States or an instrumen-
33 tality thereof, or a commitment by the United States or
34 an instrumentality thereof to insure such a loan;

35 (3) "Federally insured mortgage" means a mortgage
36 loan for land development for residential housing or resi-
37 dential housing insured or guaranteed by the United
38 States or an instrumentality thereof, or a commitment by
39 the United States or an instrumentality thereof to insure
40 such a mortgage;

41 (4) "Federal mortgage" means a mortgage loan for
42 land development for residential housing or residential
43 housing made by the United States or an instrumentality
44 thereof, or a commitment by the United States or an
45 instrumentality thereof to make such a mortgage loan;

46 (5) "Housing development fund" means the West Vir-
47 ginia housing development fund created and established
48 by section four of this article;

49 (6) "Land development" means the process of acquir-
50 ing land for residential housing construction, and of mak-
51 ing, installing or constructing nonresidential housing im-
52 provements, including waterlines and water supply in-
53 stallations, sewer lines and sewage disposal installations,

54 steam, gas and electric lines and installations, roads,
55 streets, curbs, gutters, sidewalks, whether on or off the
56 site, which the housing development fund deems neces-
57 sary or desirable to prepare such land for residential
58 housing construction within this state;

59 (7) "Operating loan fund" means the operating
60 loan fund which may be created and established by the
61 housing development fund in accordance with section
62 nineteen of this article;

63 (8) "Persons and families of low and moderate in-
64 come" means persons and families, irrespective of race,
65 creed, national origin or sex, determined by the housing
66 development fund to require such assistance as is made
67 available by this article on account of personal or family
68 income not sufficient to afford sanitary, decent and safe
69 housing, and to be eligible or potentially eligible to
70 occupy residential housing constructed and financed,
71 wholly or in part, with federally insured construction
72 loans, federally insured mortgages, federal mortgages or
73 with other public or private assistance, or with unin-
74 sured construction loans, or uninsured mortgage loans,
75 and in making such determination the fund shall take
76 into account the following: (a) The amount of the total
77 income of such persons and families available for housing
78 needs, (b) the size of the family, (c) the cost and condi-
79 tion of housing facilities available, (d) the eligibility of
80 such persons and families for federal housing assistance
81 of any type predicated upon low or moderate income
82 basis, and (e) the ability of such persons and families to
83 compete successfully in the normal housing market and
84 to pay the amounts at which private enterprise is pro-
85 viding sanitary, decent and safe housing: *Provided*, That
86 to the extent found and determined by the housing de-
87 velopment fund, by resolution, to be necessary or appro-
88 priate for the purposes of eliminating undesirable social
89 conditions and permanently eliminating slum conditions,
90 the income limitation requirements of this article may
91 be waived as to any persons or families who are eligible
92 to occupy residential housing constructed in whole, or in
93 part, with federally insured construction loans, federally
94 insured mortgages or federal mortgages under housing

95 assistance or mortgage insurance programs of the United
96 States, or an instrumentality thereof, predicated upon any
97 low or moderate income basis;

98 (9) "Residential housing" means a specific work or
99 improvement within this state undertaken primarily to
100 provide dwelling accommodations, including the acquisi-
101 tion, construction or rehabilitation of land, buildings and
102 improvements thereto, for residential housing, and such
103 other nonhousing facilities as may be incidental or appur-
104 tenant thereto;

105 (10) "Uninsured construction loan" means a construc-
106 tion loan for land development for residential housing
107 or residential housing which is not secured by either a
108 federally insured mortgage or a federal mortgage, and
109 which is not insured by the United States or an instru-
110 mentality thereof, and, as to which there is no commit-
111 ment by the United States or an instrumentality thereof
112 to provide insurance;

113 (11) "Uninsured mortgage" and "uninsured mortgage
114 loan" means a mortgage loan for land development for
115 residential housing or residential housing which is not
116 insured or guaranteed by the United States or an instru-
117 mentality thereof, and as to which there is no commit-
118 ment by the United States or an instrumentality thereof
119 to provide insurance.

§31-18-6. Corporate powers.

1 The housing development fund is hereby granted, has
2 and may exercise all powers necessary or appropriate to
3 carry out and effectuate its corporate purpose, including
4 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 and
10 moderate income who are eligible or potentially eligible
11 for federally insured mortgages or federal mortgages.
12 Such loans shall be made only upon determination by
13 the housing development fund that construction loans
14 are not otherwise available, wholly or in part, from

15 private lenders upon reasonably equivalent terms and
16 conditions;

17 (2) To make temporary loans, with or without inter-
18 est, but with such security for repayment as the housing
19 development fund determines reasonably necessary and
20 practicable, from the operating loan fund, if created,
21 established, organized and operated in accordance with
22 the provisions of section nineteen of this article, to defray
23 development costs to sponsors of land development for
24 residential housing for occupancy by persons and families
25 of low and moderate income or residential housing con-
26 struction for occupancy by persons and families of low
27 and moderate income which is eligible or potentially
28 eligible for federally insured construction loans, federally
29 insured mortgages, federal mortgages, or uninsured con-
30 struction loans or uninsured mortgage loans;

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 families
34 of low and moderate income, or to persons and families
35 of low and moderate income who may purchase such
36 residential housing who are eligible or potentially eligible
37 for federally insured mortgages or federal mortgages.
38 Such loans shall be made only upon determination by
39 the housing development fund that long-term mortgage
40 loans are not otherwise available, wholly or in part,
41 from private lenders upon reasonably equivalent terms
42 and conditions;

43 (4) To accept appropriations, gifts, grants, bequests
44 and devises, and to utilize or dispose of the same to carry
45 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 connec-
51 tion with making and servicing its loans, notes, bonds,
52 obligations, commitments and other evidences of indebted-
53 ness, and in connection with providing technical, con-

54 sultative and project assistance services. Such fees and
55 charges shall be limited to the amounts required to pay
56 the costs of the housing development fund, including
57 operating and administrative expenses, and reasonable
58 allowances for losses which may be incurred;

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

61 (i) Direct obligations of or obligations guaranteed
62 by the United States of America;

63 (ii) Bonds, debentures, notes or other evidences of
64 indebtedness issued by any of the following agencies:
65 Bank for Cooperatives; Federal Intermediate Credit
66 Banks; Federal Home Loan Bank System; Export-Import
67 Bank of the United States; Federal Land Banks; the
68 Federal National Mortgage Association or the Govern-
69 ment National Mortgage Association;

70 (iii) Public housing bonds issued by public agencies
71 or municipalities and fully secured as to the payment
72 of both principal and interest by a pledge of annual con-
73 tributions under an annual contributions contract or
74 contracts with the United States of America; or temporary
75 notes issued by public agencies or municipalities or
76 preliminary loan notes issued by public agencies or
77 municipalities, in each case, fully secured as to the pay-
78 ment of both principal and interest by a requisition or
79 payment agreement with the United States of America;

80 (iv) Certificates of deposit secured by obligations of
81 the United States of America;

82 (v) Direct obligations of or obligations guaranteed
83 by the state of West Virginia;

84 (vi) Direct and general obligations of any other state
85 within the territorial United States, to the payment of
86 the principal of and interest on which the full faith and
87 credit of such state is pledged: *Provided*, That at the
88 time of their purchase, such obligations are rated in
89 either of the two highest rating categories by a nationally
90 recognized bond rating agency; and,

91 (vii) Any fixed interest bond, note or debenture of
92 any corporation organized and operating within the

93 United States: *Provided*, That such corporation shall
94 have a minimum net worth of fifteen million dollars
95 and its securities or its parent corporation's securities are
96 listed on one or more of the national stock exchanges:
97 *Provided, however*, That (1) such corporation has earned
98 a profit in eight of the preceding ten fiscal years as re-
99 flected in its statements, and (2) such corporation has
100 not defaulted in the payment of principal or interest
101 on any of its outstanding funded indebtedness during its
102 preceding ten fiscal years, and (3) the bonds, notes or
103 debentures of such corporation to be purchased are rated
104 "AA" or the equivalent thereof or better than "AA" or
105 the equivalent thereof by at least two or more nationally
106 recognized rating services, such as Standard and Poor's,
107 Dun & Bradstreet or Moody's;

108 (8) To sue and be sued;

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

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

113 (11) To appoint such officers, employees and consul-
114 tants as it deems advisable and to fix their compensation
115 and prescribe their duties;

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

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

122 (14) To acquire real property, or an interest therein, in
123 its own name, by purchase or foreclosure, where such
124 acquisition is necessary or appropriate to protect any
125 loan in which the housing development fund has an
126 interest and to sell, transfer and convey any such prop-
127 erty to a buyer and, in the event such sale, transfer or
128 conveyance cannot be effected with reasonable promptness
129 or at a reasonable price, to lease such property to a
130 tenant;

131 (15) To sell, at public or private sale, any mortgage
132 or other negotiable instrument or obligation securing a
133 construction, land development, mortgage or temporary
134 loan;

135 (16) To procure insurance against any loss in connec-
136 tion with its property in such amounts, and from such
137 insurers, as may be necessary or desirable;

138 (17) To consent, whenever it deems it necessary or
139 desirable in the fulfillment of its corporate purpose, to
140 the modification of the rate of interest, time of payment
141 or any installment of principal or interest, or any other
142 terms, of any mortgage loan, mortgage loan commitment,
143 construction loan, temporary loan, contract or agreement
144 of any kind to which the housing development fund is a
145 party;

146 (18) To make and publish rules and regulations re-
147 specting its federally insured mortgage lending, uninsured
148 mortgage lending, construction lending and temporary
149 lending to defray development costs and any such other
150 rules and regulations as are necessary to effectuate its
151 corporate purpose;

152 (19) To borrow money to carry out and effectuate its
153 corporate purpose and to issue its negotiable bonds or
154 notes as evidence of any such borrowing in such principal
155 amounts and upon such terms as shall be necessary to
156 provide sufficient funds for achieving its corporate pur-
157 pose, except that no negotiable notes shall be issued to
158 mature more than ten years from date of issuance and
159 no negotiable bonds shall be issued to mature more than
160 fifty years from date of issuance;

161 (20) To issue renewal notes, to issue bonds to pay
162 notes and, whenever it deems refunding expedient, to
163 refund any bonds by the issuance of new bonds, whether
164 the bonds to be refunded have or have not matured except
165 that no such renewal notes shall be issued to mature
166 more than ten years from date of issuance of the notes
167 renewed and no such refunding bonds shall be issued to
168 mature more than fifty years from the date of issuance;

169 (21) To apply the proceeds from the sale of renewal

170 notes or refunding bonds to the purchase, redemption, or
171 payment of the notes or bonds to be refunded;

172 (22) To provide technical services to assist in the plan-
173 ning, processing, design, construction or rehabilitation of
174 residential housing for occupancy by persons and families
175 of low and moderate income or land development for
176 residential housing for occupancy by persons and families
177 of low and moderate income;

178 (23) To provide consultative project assistance services
179 for residential housing for occupancy by persons and
180 families of low and moderate income and for land develop-
181 ment for residential housing for occupancy by persons
182 and families of low and moderate income, and for the
183 residents thereof with respect to management, training
184 and social services;

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

188 (25) To participate in the making of or to make loans
189 to qualified federally approved mortgagees and in con-
190 nection therewith, or independently thereof, to take as
191 collateral security, invest in, purchase, acquire, sell or
192 participate in the sale of, or take assignments of, notes
193 and mortgages, evidencing loans for the construction,
194 rehabilitation, purchase or refinancing of housing for per-
195 sons and families of low and moderate income in this
196 state: *Provided*, That the fund shall obtain such written
197 assurances as shall be satisfactory to it that the proceeds
198 of such loans, investments or purchases will be used, as
199 nearly as practicable, for the making of or investment in
200 long-term federally insured mortgage loans or federally
201 insured construction loans for low and moderate income
202 housing in this state or that other moneys in an amount
203 approximately equal to such proceeds shall be committed
204 and used for such purpose;

205 (26) To make or participate in the making of un-
206 insured construction loans to sponsors of land develop-
207 ment for residential housing for occupancy by persons
208 and families of low and moderate income or residential

209 housing for occupancy by persons and families of low and
210 moderate income. Such loans shall be made only upon
211 determination by the housing development fund that
212 construction loans are not otherwise available, wholly or
213 in part, from private lenders upon reasonably equivalent
214 terms and conditions;

215 (27) To make or participate in the making of long-
216 term uninsured mortgage loans to sponsors of residential
217 housing for occupancy by persons and families of low
218 and moderate income, or to persons and families of low
219 and moderate income who may purchase such residential
220 housing. Such loans shall be made only upon determina-
221 tion by the housing development fund that long-term
222 mortgage loans are not otherwise available, wholly or in
223 part, from private lenders upon reasonably equivalent
224 terms and conditions; and

225 (28) To obtain options to acquire and to acquire real
226 property, or any interest therein, in its own name, by
227 purchase, or lease, or otherwise, which is found by the
228 housing development fund to be suitable, or potentially
229 suitable, as a site, or as part of a site, for the construction
230 of residential housing for occupancy by persons and
231 families of low and moderate income; to hold such real
232 property; to make loans to finance the performance of
233 land development activities on or in connection with any
234 such real property or to perform land development activi-
235 ties on or in connection with any such real property; and
236 to sell, transfer and convey, lease or otherwise dispose of
237 such real property, or lots, tracts or parcels of such real
238 property, for such prices, upon such terms, conditions and
239 limitations, and at such time or times as the housing
240 development fund shall determine, to sponsors of resi-
241 dential housing for occupancy by persons and families
242 of low and moderate income or to persons and families
243 of low and moderate income: *Provided*, That if the hous-
244 ing development fund shall determine that any such real
245 property or any lots, tracts or parcels of such real prop-
246 erty are not at any time or times needed for present or
247 future residential housing for occupancy by persons and
248 families of low and moderate income, the housing develop-

249 ment fund may sell, transfer and convey, lease or other-
250 wise dispose of the same, to such purchasers or lessees,
251 for such prices, upon such terms, conditions and limita-
252 tions, and for such uses and purposes as the housing
253 development fund shall determine.

§31-18-19. Operating loan fund.

1 (a) The board of directors of the housing development
2 fund may create and establish a special revolving loan
3 fund of moneys made available by contribution or loan,
4 to be known as the operating loan fund and to be gov-
5 erned, administered and accounted for by the directors,
6 officers and managerial staff of the housing development
7 fund as a public purpose trust account separate and dis-
8 tinct from any other moneys, fund or funds owned and
9 managed by the housing development fund.

10 (b) The purpose for organizing and operating the
11 operating loan fund shall be to provide a source from
12 which the housing development fund may make tem-
13 porary loans, with or without interest, but with such
14 security for repayment as the housing development fund
15 deems reasonably necessary and practicable; such loans
16 to be used to defray development costs to sponsors of
17 land development for residential housing construction for
18 occupancy by persons and families of low and moderate
19 income or residential housing construction for occupancy
20 by persons and families of low and moderate income
21 which is eligible or potentially eligible for federally in-
22 sured construction loans, federally insured mortgages or
23 federal mortgages or other public assistance programs or
24 uninsured construction loans or uninsured mortgage
25 loans.

26 (c) No temporary loans shall be made by the housing
27 development fund from the operating loan fund except
28 in accordance with a written loan agreement which shall
29 include, but not be limited to, the following terms and
30 conditions:

31 (1) The proceeds of all such loans shall be used only to
32 defray the development costs of such proposed residential
33 housing;

34 (2) All such loans shall be repaid in full, with or with-
35 out interest as provided in the agreement;

36 (3) All repayments shall be made concurrent with
37 receipt by the borrower of the proceeds of a construction
38 loan or mortgage, as the case may be, or at such other
39 times as the housing development fund deems reasonably
40 necessary or practicable; and

41 (4) Specification of such security for repayments upon
42 such terms and conditions as the housing development
43 fund deems reasonably necessary or practicable to en-
44 sure all repayments.

45 (d) No funds from the operating loan fund shall be
46 used to carry on propaganda, or otherwise attempt to
47 influence legislation.

**§31-18-21. Prohibition on funds inuring to the benefit of or
being distributable to directors, officers or private
persons.**

1 No part of the funds of the housing development fund,
2 or of the operating loan fund, shall inure to the benefit
3 of or be distributable to its directors or officers or other
4 private persons except that the housing development fund
5 shall be authorized and empowered to pay reasonable
6 compensation, other than to the directors, including the
7 chairman, vice-chairman and treasurer of the board of
8 directors and the secretary of the board of directors, for
9 services rendered and to make loans and exercise its other
10 powers as previously specified in furtherance of its cor-
11 porate purpose: *Provided*, That no such loans shall be
12 made to, and no property shall be purchased or leased
13 from or sold, leased or otherwise disposed of to, any di-
14 rector or officer of the housing development fund.

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

Russell M. Bean

Chairman Senate Committee

Phyllis K. Reelidge
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Howard F. Carson

Clerk of the Senate

V. A. Blankenship

Clerk of the House of Delegates

E. J. B. Cant

President of the Senate

Lewis F. McShann

Speaker House of Delegates

The within *approved* this the *27th*
day of *March*, 1972.

Orval S. Faubus Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 3/10/72

Time 5:20 p.m.