

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1975



ENROLLED

HOUSE BILL No. 1228

(By Mr. Seibert.....)



PASSED March 6,..... 1975

In Effect ninety days from..... Passage



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1228

ENROLLED

H. B. 1228

(By MR. SEIBERT)

[Passed March 6, 1975; in effect ninety days from passage.]

AN ACT to amend and reenact section twenty-b, article eighteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the West Virginia housing development fund; relating to the special fund established in the state treasury under the supervision of the state sinking fund commission known as the "mortgage finance bond insurance fund"; providing for deposit of certain moneys therein and payments therefrom; relating to such special fund generally; and providing for appropriations to cover deficiencies in such special fund and reimbursements of the state from certain sources.

Be it enacted by the Legislature of West Virginia:

That section twenty-b, 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.

§31-18-20b. Mortgage finance bond insurance fund.

1 (a) There is hereby created and established in the state
2 treasury a special trust fund to be designated the
3 "mortgage finance bond insurance fund" into and from
4 which moneys shall be paid as provided in this section.
5 The mortgage finance bond insurance fund shall be
6 under the supervision and control of the state sinking

7 fund commission and all moneys and securities held
8 therein or investments thereof shall be held in trust
9 subject to use and application only as provided herein
10 and in the resolution or resolutions of the housing
11 development fund authorizing the issuance of any mort-
12 gage finance bonds, notwithstanding any other provision
13 of law. The mortgage finance bond insurance fund shall be
14 kept separate and apart from all other moneys and funds of
15 the state and the housing development fund is hereby autho-
16 rized to pledge any amount or amounts held therein to the
17 payment of the principal (including annual sinking fund
18 payments) of, and interest on, mortgage finance bonds in the
19 manner and to the extent and on such terms and conditions
20 as may be provided by the housing development fund.

21 (b) In addition to any other fees and charges which the
22 housing development fund may charge on loans, it shall
23 charge on all loans or mortgages made or purchased with the
24 proceeds of sale of mortgage finance bonds, except federally
25 insured construction loans, federally insured mortgages, or
26 federal mortgages, a special bond insurance commitment fee
27 and special bond insurance premiums. The special bond
28 insurance commitment fees and special bond insurance pre-
29 miums so charged shall be remitted to the state sinking fund
30 commission, promptly after the last day of each calendar
31 quarter, by the housing development fund, or by any trustee,
32 trustees, agent or agents designated by the housing develop-
33 ment fund to receive the same and shall be held, invested and,
34 together with all investment income thereon, reinvested by
35 the state sinking fund commission in investments authorized
36 under section six of this article.

37 (c) Simultaneously with the issuance of any mortgage
38 finance bonds, the housing development fund shall cause to
39 be deposited in the mortgage finance bond insurance fund an
40 amount of the proceeds of sale and delivery of such mortgage
41 finance bonds which together with the sum of the amount then
42 on deposit in the mortgage finance bond insurance fund and
43 in reserves theretofore or then set aside with a trustee or
44 trustees and held pursuant to the resolution or resolutions
45 authorizing the issuance of such bonds only for the payment
46 of designated mortgage finance bonds prior to, or at, their

47 maturity, shall equal the minimum bond insurance require-
48 ment. Except as provided in subsection (e) of this section,
49 amounts on deposit in the mortgage finance bond insurance
50 fund which are in excess of the minimum bond insurance
51 requirement may be withdrawn from the mortgage finance
52 bond insurance fund and paid to or upon the order of the
53 housing development fund upon thirty days' notice in writing to
54 the state sinking fund commission. For the purposes of deter-
55 mining any amounts held in the mortgage finance bond in-
56 surance fund, securities held in or other investments of the
57 mortgage finance bond insurance fund shall be valued at par.
58 If, at any time, the housing development fund shall determine
59 that because of defaults or other reasons, the moneys available
60 therefor shall be insufficient to pay the principal, including the
61 annual sinking fund payment, of, and interest on, mortgage
62 finance bonds becoming due during the next ensuing six-month
63 period, the housing development fund shall give written notice
64 to the state sinking fund commission to transfer the amount of
65 moneys required for such payment, on or before the time and
66 to such trustee or paying agent for any of the mortgage
67 finance bonds as shall be specified in such notice, and the
68 state sinking fund commission shall make such transfer.

69 (d) In the event that the sum of the amount held in the
70 mortgage finance bond insurance fund and in reserves set
71 aside with a trustee or trustees and held pursuant to the
72 resolution or resolutions authorizing the issuance of such
73 bonds only for the payment of designated mortgage finance
74 bonds prior to, or at, their maturity, shall be less than
75 the minimum bond insurance requirement, the chairman of the
76 housing development fund shall certify, on or before the
77 first day of December of each year, the amount of such de-
78 ficiency to the governor of the state, for inclusion, if the
79 governor shall so elect, of the amount of such deficiency
80 in the budget to be submitted to the next session of the
81 Legislature for appropriation to the state sinking fund com-
82 mission for deposit in the mortgage finance bond insurance
83 funds: *Provided*, That the Legislature shall not be required
84 to make any appropriation so requested, and the amount of
85 such deficiencies shall not constitute a debt or liability of
86 the state.

87 (e) Subject to any agreement or agreements with holders
88 of outstanding notes and bonds of the housing development
89 fund, any amount or amounts paid by the state into the
90 mortgage finance bond insurance fund pursuant to this
91 section shall be repaid to the state as, when, and to the
92 extent, amounts held in the mortgage finance bond insurance
93 fund at any time or times after any payment by the state
94 into the mortgage finance bond insurance fund shall exceed
95 the minimum bond insurance requirement at such time or
96 times or as may otherwise be provided by law.

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

James L. Davis
Chairman Senate Committee

Lawrence C. Chutkan
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Jo Dillon, Jr.
Clerk of the Senate

C. Blankenship
Clerk of the House of Delegates

W. T. Beuther, Jr.
President of the Senate

Lewis T. McMane
Speaker House of Delegates

The within *Approved* this the *13th*
March
day of _____, 1975.

Andrew Chas. J.
Governor

PRESENTED TO THE
GOVERNOR

Date 3/8/75

Time 4:30 p.m.

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OFFICE OF
THE GOVERNOR
STATE OF ALABAMA