

No. 1697

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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1985

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ENROLLED

HOUSE BILL No. 1697

(By Mr. Speaker, Mr. Albright, & Del. Swann)
(By request of the Executive)

—●—

Passed April 2, 1985

In Effect From Passage

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SECRETARY OF STATE

ENROLLED
H. B. 1697

(By MR. SPEAKER, MR. ALBRIGHT, and DELEGATE SWANN)

(By request of the Executive)

[Passed April 2, 1985; in effect from passage.]

AN ACT to amend and reenact sections three, six, eighteen and twenty, article eighteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to amend and reenact section nine, article eighteen-b of said chapter, all relating to the West Virginia housing development fund; defining eligible persons and families by including persons or families of higher income; defining temporary housing to include temporary residential housing for shelters for homeless people, housing for victims of flood and other disasters, shelters for abused or battered persons and their children, housing for families with hospitalized family members, housing for students and student families and housing for handicapped; authorizing the housing development fund to own real property and to make loans for temporary housing; providing tax exemption; authorizing a limit on borrowing; providing that the housing development fund may contract with private institutions to place and service loans and authorizing an increase in the interest rate for servicing of loans.

Be it enacted by the Legislature of West Virginia:

That sections three, six, eighteen 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; and that section nine, article eighteen-b of said chapter be amended and reenacted, all to read as follows:

ARTICLE 18. WEST VIRGINIA HOUSING DEVELOPMENT FUND.

§31-18-3. Definitions.

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

2 (1) "Annual sinking fund payment" means the amount of
3 money specified in the resolution or resolutions authorizing
4 term bonds as payable into a sinking fund during a particular
5 calendar year for the retirement of term bonds at maturity
6 after such calendar year, but shall not include any amount
7 payable by reason only of the maturity of a bond;

8 (2) "Development costs" means the costs approved by the
9 housing development fund as appropriate expenditures by the
10 housing development fund, by sponsors of land development
11 for residential housing, or by sponsors of residential housing,
12 within this State, including, but not limited to:

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

17 (b) Legal and organization expenses, including payments of
18 attorneys' fees, project manager and clerical staff salaries,
19 office rent and other incidental expenses;

20 (c) Payment of fees for preliminary feasibility studies and
21 advances for planning, engineering and architectural work;

22 (d) Expenses for tenant surveys and market analyses; and

23 (e) Necessary application and other fees.

24 (3) "Eligible persons and families" means:

25 (a) Persons and families of low and moderate income; or

26 (b) Persons or families of higher income to the extent the
27 housing development fund shall find and determine; by
28 resolution, that construction of new or rehabilitated residential
29 housing for occupancy by them will cause to be vacated
30 existing sanitary, decent and safe residential housing available
31 at prices or rentals which persons and families of low and

32 moderate income can afford; or

33 (c) Persons or families of higher income to the extent the
34 housing development fund shall find and determine, by
35 resolution, that construction of new or rehabilitated multi-
36 family rental housing or new, rehabilitated or existing home
37 ownership housing in the state for occupancy by them will
38 further economic growth, increase the housing stock in the
39 state by eliminating substandard or deteriorating housing
40 conditions, or provide additional housing opportunities in the
41 state; or

42 (d) Persons who because of age or physical disability are
43 found and determined by the housing development fund, by
44 resolution, to require residential housing of a special location
45 or design in order to provide them with sanitary, decent and
46 safe residential housing; or

47 (e) Persons and families for whom, as found and determined
48 by the housing development fund by resolution, construction
49 of new or rehabilitated residential housing some designated
50 area or areas of the state is necessary for the purpose of
51 retaining in, or attracting to, such area or areas qualified
52 manpower resources essential to modern mining, industrial
53 and commercial operations and development in such area or
54 areas;

55 (4) "Federally insured construction loan" means a construc-
56 tion loan for land development for residential housing or for
57 residential housing which is either secured by a federally
58 insured mortgage or a federal mortgage, or which is insured
59 by the United States or an instrumentality thereof, or a
60 commitment by the United States or an instrumentality thereof
61 to insure such loan;

62 (5) "Federal insured mortgage" means a mortgage loan for
63 land development for residential housing or for residential
64 housing insured or guaranteed by the United States or an
65 instrumentality thereof to insure such a mortgage;

66 (6) "Federal mortgage" means mortgage loan for land
67 development for residential housing or for residential housing
68 made by the United States or an instrumentality thereof, or
69 a commitment by the United States or an instrumentality
70 thereof to make such a mortgage loan;

71 (7) "Housing development fund" means the West Virginia
72 housing development fund heretofore created and established
73 by section four of this article;

74 (8) "Land development" means the process of acquiring
75 land for residential housing construction and of making,
76 installing or constructing nonresidential housing improve-
77 ments, including waterlines and water supply installations,
78 sewer lines and sewage disposal installations, steam, gas and
79 electric lines and installations, roads, streets, curbs, gutters,
80 sidewalks, whether on or off the site, which the housing
81 development fund deems necessary or desirable to prepare
82 such land for residential housing construction within this state;

83 (9) "Land development fund" means the land development
84 fund which may be created and established by the housing
85 development fund in accordance with section twenty-a of this
86 article;

87 (10) "Minimum bond insurance requirement" means, as of
88 any particular date of computation, an amount of money equal
89 to the greatest of the respective amounts, for the then current
90 or any future calendar year, of annual debt service of the
91 housing development fund on all outstanding mortgage finance
92 bonds, such annual debt service for any calendar year being
93 the amount of money equal to the aggregate of (a) all interest
94 payable during such calendar year on such mortgage finance
95 bonds on said date of computation, plus (b) the principal
96 amount of such mortgage finance bonds outstanding which
97 matures during such calendar year, other than mortgage
98 finance bonds for which annual sinking fund payments have
99 been or are to be made in accordance with the resolution
100 authorizing such bonds, plus (c) the amount of all annual
101 sinking fund payments payable during such calendar year with
102 respect to any such mortgage finance bonds, all calculated on
103 the assumption that bonds will after said date of computation
104 cease to be outstanding by reason, but only by reason, of the
105 payment of bonds when due, and the payment when due and
106 application in accordance with the resolution authorizing such
107 bonds of all such sinking fund payments payable at or after
108 said date of computation;

109 (11) "Mortgage finance bonds" means bonds issued or to be
110 issued by the housing development fund and secured by a

111 pledge of amounts payable from the mortgage finance bond
112 insurance fund in the manner and to the extent provided in
113 section twenty-b of this article;

114 (12) "Mortgage finance bond insurance fund" means the
115 special trust fund created and established in the state treasury
116 in accordance with section twenty-b of this article;

117 (13) "Operating loan fund" means the operating loan fund
118 which may be created and established by the housing
119 development fund in accordance with section nineteen of this
120 article;

121 (14) "Persons and families of low and moderate income"
122 means persons and families, irrespective of race, creed,
123 national origin or sex, determined by the housing development
124 fund to require such assistance as is made available by this
125 article on account of personal or family income not sufficient
126 to afford sanitary, decent and safe housing, and to be eligible
127 or potentially eligible to occupy residential housing con-
128 structed and financed, wholly or in part, with federally insured
129 construction loans, federally insured mortgages, federal
130 mortgages or with other public or private assistance, or with
131 uninsured construction loans, or uninsured mortgage loans,
132 and in making such determination the fund shall take into
133 account the following: (a) The amount of the total income of
134 such persons and families available for housing needs, (b) the
135 size of the family, (c) the cost and condition of housing
136 facilities available, (d) the eligibility of such persons and
137 families for federal housing assistance of any type predicated
138 upon low or moderate income basis, and (e) the ability of such
139 persons and families to compete successfully in the normal
140 housing market and to pay the amounts at which private
141 enterprise is providing sanitary, decent and safe housing:
142 *Provided*, That to the extent found and determined by the
143 housing development fund, by resolution, to be necessary or
144 appropriate for the purposes of eliminating undesirable social
145 conditions and permanently eliminating slum conditions, the
146 income limitation requirements of this article may be waived
147 as to any persons or families who are eligible to occupy
148 residential housing constructed in whole, or in part, with
149 federally insured construction loans, federally insured
150 mortgages or federal mortgages under housing assistance or
151 mortgage insurance programs of the United States, or an

152 instrumentality thereof, predicated upon any low or moderate
153 income basis;

154 (15) "Residential housing" means a specific work or
155 improvement within this State undertaken primarily to provide
156 dwelling accommodations, including the acquisition, construc-
157 tion or rehabilitation of land, buildings and improvements
158 thereto, for residential housing, including, but not limited to
159 nursing homes and intermediate care facilities, and such other
160 nonhousing facilities as may be incidental or appurtenant
161 thereto;

162 (16) "Special bond insurance commitment fee" means a fee
163 in the amount of one per centum of the total principal amount
164 of each loan which is to be temporarily or permanently
165 financed from the proceeds of mortgage finance bonds, other
166 than a federally insured construction loan, a federally insured
167 mortgage or a federal mortgage, or an amount equal to an
168 equivalent discount on each loan purchased or invested in by
169 the housing development fund from the proceeds of mortgage
170 finance bonds, other than a federally insured construction
171 loan, a federally insured mortgage or a federal mortgage, and
172 which may be payable from the proceeds of such bonds or
173 any other source available to the housing development fund
174 for such use: *Provided*, That if the period of time between the
175 first disbursement of proceeds of such loan and the date upon
176 which it is specified that the first repayment of principal of
177 such a loan shall be payable exceeds twelve months, an
178 additional amount computed on the basis of one twelfth of
179 one per centum per month on the total principal amount of
180 such loan over the number of months of such period of time
181 in excess of twelve months shall be included in such fee;

182 (17) "Special bond insurance premium" means (i) a fee at
183 the rate of one half of one percent per annum on the
184 outstanding principal balance which the housing development
185 fund shall charge the borrower of a mortgage loan, or of a
186 loan secured by a mortgage, financed from the proceeds of
187 mortgage finance bonds, other than a federally insured
188 construction loan, a federally insured mortgage or a federal
189 mortgage, which shall accrue from a date which is one month
190 prior to the date on which the first installment payment of
191 principal of such a loan is payable and which shall be payable
192 thereafter in monthly installments on the same day of each

193 successive month that installment payments of principal of
194 such a loan are payable, and (ii) with respect to any loan, other
195 than a federally insured construction loan, a federally insured
196 mortgage or a federal mortgage, purchased, or invested in with
197 such proceeds, an equivalent amount which the housing
198 development fund shall set aside from payments it receives on
199 such loan or from any other source available to the housing
200 development fund for such use;

201 (18) "State sinking fund commission" means the commis-
202 sion known as such and continued in existence pursuant to
203 article three, chapter thirteen of this code and any body,
204 board, person or commission which shall, by law, hereafter
205 succeed to the powers and duties of such commission;

206 (19) "Temporary housing" means a specific work or
207 improvement within this state undertaken primarily to provide
208 dwelling accommodations, including the acquisition, construc-
209 tion, or rehabilitation of land, buildings and improvements
210 thereto, for temporary residential housing, including but not
211 limited to shelters for homeless people, housing for victims of
212 floods and other disasters, shelters for abused or battered
213 persons and their children, housing for families with
214 hospitalized family members, housing for students and student
215 families, and housing for the handicapped and such other
216 nonhousing facilities as may be incidental or appurtenant
217 thereto;

218 (20) "Uninsured construction loans" means a construction
219 loan for land development or for residential housing which is
220 not secured by either a federally insured mortgage or a federal
221 mortgage, and which is not insured by the United States or
222 an instrumentality thereof, and as to which there is no
223 commitment by the United States or an instrumentality thereof
224 to provide insurance;

225 (21) "Uninsured mortgage" and "uninsured mortgage loan"
226 means a mortgage loan for land development or for residential
227 housing which is not insured or guaranteed by the United
228 States or an instrumentality thereof, and as to which there is
229 no commitment by the United States or an instrumentality
230 thereof to provide insurance.

§31-18-6. Corporate powers.

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

5 (1) To make or participate in the making of federally
6 insured construction loans to sponsors of land development for
7 residential or temporary housing for occupancy by eligible
8 persons and families or to sponsors of residential or temporary
9 housing for occupancy by eligible persons and families. Such
10 loans shall be made only upon determination by the housing
11 development fund that construction loans are not otherwise
12 available, wholly or in part, from private lenders upon
13 reasonably equivalent terms and conditions;

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

28 (3) To make or participate in the making of long-term
29 federally insured mortgage loans to sponsors of residential or
30 temporary housing for occupancy by eligible persons and
31 families, or to eligible persons and families, who may purchase
32 or construct such residential or temporary housing. Such loans
33 shall be made only upon determination by the housing
34 development fund that long-term mortgage loans are not
35 otherwise available, wholly or in part, from private lenders
36 upon reasonably equivalent terms and conditions;

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

40 (5) To make and execute contracts, releases, compromises,

41 compositions and other instruments necessary or convenient
42 for the exercise of its powers, or to carry out its corporate
43 purpose;

44 (6) To collect reasonable fees and charges in connection
45 with making and servicing its loans, notes, bonds, obligations,
46 commitments and other evidences of indebtedness, and in
47 connection with providing technical, consultative and project
48 assistance services. Such fees and charges shall be limited to
49 the amounts required to pay the costs of the housing
50 development fund, including operating and administrative
51 expenses, and reasonable allowances for losses which may be
52 incurred;

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

55 (i) Direct obligations of or obligations guaranteed by the
56 United States of America;

57 (ii) Bonds, debentures, notes or other evidences of indebted-
58 ness issued by any of the following agencies: Banks for
59 cooperatives; federal intermediate credit banks; federal home
60 loan bank system; Export-Import Bank of the United States;
61 federal land banks; the Federal National Mortgage Associa-
62 tion or the Government National Mortgage Association;

63 (iii) Public housing bonds issued by public agencies or
64 municipalities and fully secured as to the payment of both
65 principal and interest by a pledge of annual contributions
66 under an annual contributions contract or contracts with the
67 United States of America; or temporary notes issued by public
68 agencies or municipalities or preliminary loan notes issued by
69 public agencies or municipalities, in each case, fully secured
70 as to the payment of both principal and interest by a
71 requisition or payment agreement with the United States of
72 America;

73 (iv) Certificates of deposit secured by obligation of the
74 United States of America;

75 (v) Direct obligations of or obligations guaranteed by the
76 State of West Virginia;

77 (vi) Direct and general obligations of any other state within
78 the territorial United States, to the payment of the principal

79 of and interest on which the full faith and credit of such state
80 is pledged: *Provided*, That at the time of their purchase, such
81 obligations are rated in either of the two highest rating
82 categories by a nationally recognized bondrating agency; and

83 (vii) Any fixed interest bond, note or debenture of any
84 corporation organized and operating within the United States:
85 *Provided*, That such corporation shall have a minimum net
86 worth of fifteen million dollars and its securities or its parent
87 corporation's securities are listed on one or more of the
88 national stock exchanges: *Provided, however*, That (1) such
89 corporation has earned a profit in eight of the preceding ten
90 fiscal years as reflected in its statements, and (2) such
91 corporation has not defaulted in the payment of principal or
92 interest on any of its outstanding funded indebtedness during
93 its preceding ten fiscal years, and (3) the bonds, notes or
94 debentures of such corporation to be purchased are rated
95 "AA" or the equivalent thereof or better than "AA" or the
96 equivalent thereof at least two or more nationally recognized
97 rating services such as Standard and Poor's, Dun & Bradstreet
98 or Moody's;

99 (8) To sue and be sued;

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

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

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

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

109 (13) To enter into agreements or other transactions with any
110 federal or state agency, any person and any domestic or
111 foreign partnership, corporation, association or organization;

112 (14) To acquire real property, or an interest therein, in its
113 own name, by purchase or foreclosure, where such acquisition
114 is necessary or appropriate to protect any loan in which the
115 housing development fund has an interest and to sell, transfer
116 and convey any such property to a buyer and, in the event

117 such sale, transfer or conveyance cannot be effected with
118 reasonable promptness or at a reasonable price, to lease such
119 property to a tenant;

120 (15) To sell, at public or private sale, any mortgage or other
121 negotiable instrument or obligation securing a construction,
122 rehabilitation, improvement, land development, mortgage or
123 temporary loan;

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

127 (17) To consent, whenever it deems it necessary or desirable
128 in the fulfillment of its corporate purpose, to the modification
129 of the rate of interest, time of payment or any installment of
130 principal or interest, or any other terms, of mortgage loan,
131 mortgage loan commitment, construction loan, rehabilitation
132 loan, improvement loan, temporary loan, contract or
133 agreement of any kind to which the housing development fund
134 is a party;

135 (18) To make and publish rules and regulations respecting
136 its federally insured mortgage lending, uninsured mortgage
137 lending, construction lending, rehabilitation lending, improve-
138 ment lending and lending to defray development costs and any
139 such other rules and regulations as are necessary to effectuate
140 its corporate purpose;

141 (19) To borrow money to carry out and effectuate its
142 corporate purpose and to issue its bonds or notes as evidence
143 of any such borrowing in such principal amounts and upon
144 such terms as shall be necessary to provide sufficient funds for
145 achieving its corporate purpose, except that no notes shall be
146 issued to mature more than ten years from date of issuance
147 and no bonds shall be issued to mature more than fifty years
148 from date of issuance;

149 (20) To issue renewal notes, to issue bonds to pay notes and,
150 whenever it deems refunding expedient, to refund any bonds
151 by the issuance of new bonds, whether the bonds to be
152 refunded have or have not matured except that no such
153 renewal notes shall be issued to mature more than ten years
154 from date of issuance of the notes renewed and no such
155 refunding bonds shall be issued to mature more than fifty years

156 from the date of issuance;

157 (21) To apply the proceeds from the sale of renewal notes
158 or refunding bonds to the purchase, redemption or payment
159 of the notes or bonds to be refunded;

160 (22) To provide technical services to assist in the planning,
161 processing, design, construction, or rehabilitation or improve-
162 ment of residential and temporary housing for occupancy by
163 eligible persons and families or land development for
164 residential and temporary housing for occupancy by eligible
165 persons and families;

166 (23) To provide consultative project assistance services for
167 residential and temporary housing for occupancy by eligible
168 persons and families and for land development for residential
169 and temporary housing for occupancy by eligible persons and
170 families and for the residents thereof with respect to
171 management, training and social services;

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

175 (25) With the proceeds from the issuance of notes or bonds
176 of the housing development fund, including, but not limited
177 to, mortgage finance bonds, or with other funds available to
178 the housing development fund for such purpose, to participate
179 in the making of or to make loans to mortgagees approved
180 by the housing development fund and take such collateral
181 security therefor as is approved by the housing development
182 fund and to invest in, purchase, acquire, sell or participate in
183 the sale of, or take assignments of, notes and mortgages,
184 evidencing loans for the construction, rehabilitation, improve-
185 ment, purchase or refinancing of residential and temporary
186 housing in this state: *Provided*, That the housing development
187 fund shall obtain such written assurances as shall be
188 satisfactory to it that the proceeds of such loans, investments
189 or purchases will be used, as nearly as practicable, for the
190 making of or investment in long-term federally insured
191 mortgage loans or federally insured construction loans,
192 uninsured mortgage loans or uninsured construction loans, for
193 residential and temporary housing for occupancy by eligible
194 persons and families in this state or that other moneys in an
195 amount approximately equal to such proceeds shall be

196 committed and used for such purpose;

197 (26) To make or participate in the making of uninsured
198 construction loans to sponsors of land development for
199 residential or temporary housing for occupancy by eligible
200 persons and families or to sponsors of residential or temporary
201 housing for occupancy by eligible persons and families, or to
202 eligible persons and families who may construct such housing.
203 Such loans shall be made only upon determination by the
204 housing development fund that construction loans are not
205 otherwise available, wholly or in part, from private lenders
206 upon reasonably equivalent terms and conditions;

207 (27) To make or participate in the making of long-term
208 uninsured mortgage loans to sponsors of residential or
209 temporary housing for occupancy by eligible persons and
210 families, or to eligible persons and families who may purchase
211 or construct such residential housing. Such loans shall be made
212 only upon determination by the housing development fund
213 that long-term mortgage loans are not otherwise available,
214 wholly or in part, from private lenders upon reasonably
215 equivalent terms and conditions;

216 (28) To obtain options to acquire and to acquire real
217 property, or any interest therein, in its own name, by purchase,
218 or lease, or otherwise, which is found by the housing
219 development fund to be suitable, or potentially suitable, as a
220 site, or as part of a site, for the construction of residential or
221 temporary housing; to hold such real property; to make loans
222 to finance the performance of land development activities on
223 or in connection with any such real property or to perform
224 land development activities on or in connection with any such
225 real property; to sponsor the development of residential and
226 temporary housing for occupancy by eligible persons and
227 families on such real property; and to sell, transfer and convey,
228 lease or otherwise dispose of such real property, or lots, tracts
229 or parcels of such real property, or residential or temporary
230 housing, for such prices, upon such terms, conditions and
231 limitations, and at such time or times as the housing
232 development fund shall determine, to sponsors of residential
233 or temporary housing: *Provided*, That if the housing
234 development fund shall determine that any such real property
235 or any lots, tracts or parcels of such real property are not at
236 any time or times needed for present or future residential or

237 temporary housing, the housing development fund may sell,
238 transfer and convey, lease or otherwise dispose of the same,
239 to such purchasers or lessees, for such prices, upon such terms,
240 conditions and limitations, and for such uses and purposes as
241 the housing development fund shall determine;

242 (29) To make loans, with or without interest, but with such
243 security for repayment as the housing development fund
244 determines reasonably necessary and practicable from the land
245 development fund, if created, establish, organized and
246 operated in accordance with the provisions of section twenty-
247 a of this article, to sponsors of land development, to defray
248 development costs and other costs of land development;

249 (30) To exercise all of the rights, powers and authorities of
250 a public housing authority as set forth and provided in article
251 fifteen, chapter sixteen of this code in any area or areas of
252 the state which the housing development fund shall determine
253 by resolution to be necessary or appropriate;

254 (31) To make or participate in the making of loans to
255 eligible persons and families for the purpose of rehabilitating
256 or improving existing residential and temporary housing, or
257 to owners of existing residential or temporary housing for
258 occupancy by eligible persons and families for the purpose of
259 rehabilitating or improving such residential or temporary
260 housing and, in connection therewith, to refinance existing
261 loans involving the same property. Such loans shall be made
262 only upon determination by the housing development fund
263 that rehabilitation or improvement loans are not otherwise
264 available, wholly or in part, from private lenders upon
265 reasonably equivalent terms and conditions;

266 (32) Whenever the housing development fund deems it
267 necessary in order to exercise any of its powers set forth in
268 subdivision 28 of this section, and upon being unable to agree
269 with the owner or owners of real property or interest therein
270 sought to be acquired by the fund upon a price for acquisition
271 of private property not being used or operated by the owner
272 in the production of agricultural products, to exercise the
273 powers of eminent domain in the acquisition of such real
274 property or interest therein in the manner provided under
275 chapter fifty-four of this code, and the purposes set forth in
276 subdivision 28 of this section are hereby declared to be public

277 purposes for which private property may be taken. For the
278 purposes of this section, the determinateion of "use or
279 operation by the owner in the production of agricultural
280 products" means that the principal use of such real estate is
281 for the production of food and fiber by agricultural production
282 other than forestry, and the fund shall not initiate or exercise
283 any powers of eminent domain without first receiving an
284 opinion in writing from both the governor and the commiss-
285 sioner of agriculture of this state that at the time the fund has
286 first attempted to acquire such real estate or interest therein,
287 such real estate or interest therein was not in fact being used
288 or operated by the owner in the production of agricultural
289 products.

§31-18-18. Tax Exemption.

1 The housing development fund shall not be required to pay
2 any taxes and assessments to the state of West Virginia, or
3 any county, municipality or other governmental subdivision of
4 the state of West Virginia, upon any of its property or upon
5 its obligations or other evidences of indebtedness pursuant to
6 the provisions of this article, or upon any moneys, funds
7 revenues or other income held or received by the housing
8 development fund. The notes and bonds of the housing
9 development fund and the income therefrom shall at all times
10 be exempt from taxation, except for death and gift taxes, taxes
11 on transfers, sales taxes, real property taxes and business and
12 occupation taxes.

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

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

**ARTICLE 18B. MORTGAGE AND INDUSTRIAL DEVELOPMENT
INVESTMENT POOL.**

§31-18B-9. Housing development fund may contract with private

institutions to place and service loans or may itself provide such servicing; increasing interest rate and payment of a portion of interest to cover cost of servicing.

1 (a) The housing development fund may contract with
2 private mortgage companies, savings and loan associations, or
3 banks to provide for the placement, origination and servicing
4 of the mortgages described in this article or the housing
5 development fund may provide such servicing: *Provided*, That
6 such institutions must be licensed to do business in West
7 Virginia and, in the case of a savings and loan, or a bank,
8 must be under the supervision of the department of banking
9 of this state as provided in chapter thirty-one-a of this code
10 or must be a national bank or a federally insured savings and
11 loan. Such institutions shall follow the same restrictions as the
12 housing development fund, and shall act only as the agent for
13 such.

14 (b) Notwithstanding the maximum interest rate specified in
15 section six of this article, the housing development fund is
16 authorized to increase the interest rate, up to one half of one
17 percent over the rate provided in section six to pay the cost
18 of placing and servicing the mortgages.

19 (c) If the housing development fund so determines, one of
20 the points provided for in section six of this article may be
21 paid to the private mortgage company, bank or savings and
22 loan to cover the expense of origination of the loan.

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

Bruce O. Seeman

Chairman Senate Committee

Floyd Fuller

Chairman House Committee

Originating in the House.

Takes effect from passage.

Todd C. Smith

Clerk of the Senate

Donald L. Kopp

Clerk of the House of Delegates

Sam Tenenbaum

President of the Senate

Joseph P. Albright

Speaker of the House of Delegates

The within *approved* this the *12th*
day of *April*, 1985.

Arch A. Moore Jr.

Governor

PRESENTED TO THE

GOVERNOR

Date 4/10/85

Time 9:31 A.M.