

198A.065 Waiver of income -- Eligibility requirements.

- (1) The General Assembly of the Commonwealth of Kentucky hereby finds and determines that in order to provide for the greatest possible participation by the corporation in programs for the insurance or guarantee of mortgage loans for the construction or rehabilitation of residential housing projects by the United States of America, or an agency or instrumentality thereof; or by any other entity, including private mortgage insurance, which has been duly approved for these loans by the United States of America or by the Commonwealth or any agency or instrumentality thereof, if the criteria for state approval are specified in administrative regulations promulgated under KRS Chapter 13A by the state agency granting the approval; or for mortgage loans that are insured or reinsured by the corporation under KRS 198A.040(25), it is appropriate and proper that there be provision by which the maximum amounts of income for persons and families of lower and moderate income established by this chapter may be waived in certain circumstances so that the corporation may insure or reinsure mortgage loans or qualify for insurance or guarantee of mortgage loans.
- (2) Notwithstanding the requirements of KRS 198A.010(14), 198A.060(1), or any other provisions of law to the contrary, the corporation may, by action of its board of directors, suspend or terminate any income-eligibility requirements established by this chapter, subject to subsection (3) of this section, upon written request of any private mortgage insurance company or any agency or instrumentality of the United States of America which has insured or guaranteed mortgage loans made by the corporation for the construction or rehabilitation of a specific residential housing project or for any mortgage loan insured or reinsured by the corporation under KRS 198A.040(25), upon a finding by the board of directors of the existence of one (1) or more of the following conditions with respect to that project:
 - (a) Serious rental or occupancy problems which threaten the financial stability of the project, defined as a project which cannot meet its debt service obligation from available rental income; or
 - (b) A default as to one (1) or more of the terms of the mortgage loan; or
 - (c) A foreclosure of the mortgage loan; or
 - (d) A conveyance of real estate by a deed in lieu of foreclosure.
- (3) If the corporation suspends or terminates income eligibility requirements relating to a project financed by a loan which is insured or guaranteed by a private mortgage insurance company or the corporation, the corporation shall file with the Legislative Research Commission notice of, and an explanation of the need for, the suspension or termination. The Commission shall refer the notice and explanation to the appropriate interim joint subcommittee for review. The corporation shall also provide to the reviewing subcommittee information relating to the management of, and plans for, the project.

Effective: March 15, 2011

History: Amended 2011 Ky. Acts ch. 23, sec. 3, effective March 15, 2011. -- Amended 1994 Ky. Acts ch. 310, sec. 1, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 215, sec. 2, effective July 15, 1988.