

198A.080 Housing development fund -- Use to include repair of existing housing.

- (1) There is hereby created and established a loan fund to be known as the housing development fund and to be administered by the corporation as a trust fund separate and distinct from all other moneys, funds, or assets administered by the corporation.
- (2) The housing development fund shall be comprised of and the corporation is hereby authorized to receive and accept for the housing development fund the proceeds of grants, contributions, appropriations, repayment of loans made from the fund, the proceeds of fund notes, and any other moneys which may be made available to the corporation for the purposes of the housing development fund from any other source. The corporation is hereby authorized to receive and accept from any source whatever any grants or contributions for the housing development fund. The corporation is authorized to provide for the issuance, at one (1) time or from time to time, of housing development fund notes for the purpose of providing funds for such fund; provided, however, that not more than \$5,000,000 fund notes or other borrowings shall be outstanding at any one (1) time. The principal of and the interest on any such fund notes shall be payable solely from the housing development fund. The fund notes of each issue shall be dated, shall mature at such time or times not exceeding ten (10) years from their date or dates, and may be made redeemable before maturity, at the option of the corporation, at such price or prices and under such terms and conditions as may be determined by the corporation. The corporation shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state or any agent, including the lender. In case any officer whose signature or a facsimile of whose signature shall appear on any fund notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The fund notes may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon fund notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Any such fund notes shall bear interest at such rate or rates as may be determined by the corporation and may be sold in such manner, either at public or private sale, and for such price as the corporation shall determine to be for the best interest of the corporation and best effectuate the purposes of this chapter.
- (3) The proceeds of any fund notes shall be used solely for the purposes for which issued and shall be disbursed in such manner and under such restrictions, if any, as the corporation may provide in the resolution authorizing the issuance of such fund notes. The corporation may provide for the replacement of any fund notes which shall become mutilated or shall be destroyed or lost.

- (4) Fund notes may be issued under the provisions of this section without obtaining the consent of any department, division, commission, board, body, bureau, or agency of the state, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions, or things which are specifically required by this chapter and the provisions of the resolution authorizing the issuance of such fund notes.
- (5) The purpose of the housing development fund is to provide a source from which the corporation may make loans and grants, and the corporation is authorized to make loans and grants from the housing development fund, at such interest rate or rates and such term or terms as may be determined by the corporation to be for the best interest of the corporation and best effectuate the purpose of this chapter, and with such security for repayment as the corporation deems reasonably necessary and practicable, to:
 - (a) Defray development costs of sponsors, builders, and developers of residential housing, or
 - (b) Provide to persons and families of lower and moderate income who are applying for mortgages, either for purchase or rehabilitation of residential housing the amounts required to make down payments, pay closing costs, or make interest payments, or
 - (c) Make or participate in the making of construction loans which are not federally insured to sponsors, builders, and developers of land development or residential housing; provided, however, that such loans shall be made only upon the determination by the corporation that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.
- (6) No temporary loans shall be made by the corporation from the housing development fund except in accordance with a written agreement which shall include, without limitation, the following terms and conditions:
 - (a) The proceeds of such loan shall be used only for the purpose for which such loan shall have been made as provided in the agreement;
 - (b) Such loan shall be repaid in full as provided in the agreement;
 - (c) All repayments in connection with a loan to defray development costs shall be made concurrent with receipt by the borrower of the proceeds of a construction loan or mortgage loan, as the case may be, or at such other times as the corporation deems reasonably necessary or practicable; and
 - (d) Such security for repayment shall be specified and shall be upon such terms and conditions as the corporation deems reasonably necessary or practicable to insure all repayments.
- (7) No funds from the housing development fund shall be used to carry on propaganda or otherwise attempt to influence legislation.
- (8) (a) Notwithstanding other provisions of this section, the corporation may make loans secured by a mortgage from the housing development fund to enable a person sixty-two (62) years of age or older who owns the home in which he resides, whose income combined with his spouse does not exceed six thousand dollars (\$6,000), and who meets any other

reasonable standards established by the corporation to make repairs to his home including but not limited to siding, weatherstripping, roofing, gutters, electrical wiring, plumbing, and installation of sewers.

- (b) The maximum principal amount of such loans shall not exceed seven thousand dollars (\$7,000) and the maximum interest rate shall not exceed three percent (3%). All loans shall be repayable over a period of thirty (30) years. Upon the death of the borrowers prior to maturity, the unpaid balance shall be paid in full by the person to whom the house has passed by devise or descent.
- (c) The corporation shall make loans under this section in an equal number in each of the six (6) congressional districts.

Effective: July 14, 1992

History: Amended 1992 Ky. Acts ch. 235, sec. 6, effective July 14, 1992. -- Amended 1982 Ky. Acts ch. 99, sec. 6, effective March 23, 1982; and ch. 182, sec. 5, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 308, sec. 1, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 364, sec. 4. -- Amended 1974 Ky. Acts ch. 383, sec. 5. -- Created 1972 Ky. Acts ch. 70, sec. 9.