

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 423
HOUSE BILL 454

AN ACT CONCERNING THE POWERS OF HOUSING AUTHORITIES.

The General Assembly of North Carolina enacts:

Section 1. The following section is hereby added to Chapter 159 of the General Statutes:

"§ 157-9.2. **Additional powers.**—(a) The findings and purposes set forth in the first three paragraphs of G.S. 122A-2 and in G.S. 122A-5.4(a) are hereby restated and incorporated herein by reference, except that for purposes of incorporating such findings and purposes herein, the phrases 'North Carolina Housing Finance Agency' and 'Agency' shall read 'authority' and the word 'Chapter' shall read 'Section'.

(b) Words and phrases used in this section and not otherwise defined in this Chapter shall be defined as provided in Chapter 122A of the General Statutes, except that for purposes of incorporating such definitions into this section, the phrases 'North Carolina Housing Finance Agency' and 'Agency' shall read 'authority' and the 'Chapter' shall read 'Section'.

(c) An authority shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this section, including, without limiting the generality of the foregoing, the power:

- (1) To make or participate in the making of mortgage loans to sponsors of residential housing; provided, however, that such loans shall be made only upon the determination by the authority that mortgage loans are not otherwise available wholly or in part from public or private lenders upon equivalent terms and conditions;
- (2) To make or participate in the making of mortgage loans to persons and families of lower income and persons and families of moderate income for residential housing; provided, however, that such loans shall be made only upon the determination by the authority that mortgage loans are not otherwise available wholly or in part from public or private lenders upon equivalent terms and conditions;
- (3) To make loans to mortgage lenders on terms and conditions requiring the proceeds thereof to be used by such mortgage lenders to originate new mortgage loans to (i) sponsors of residential housing for persons and families of lower income and persons and families of moderate income and (ii) persons and families of lower income and persons and families of moderate income for residential housing. The loans to mortgage lenders and the loans to be made by such mortgage lenders

shall be made on such applicable terms and conditions as are set forth in rules and regulations of the authority or otherwise established by the authority; provided, however, that loans shall be made by such mortgage lenders only upon the determination by the authority that such financing is not otherwise available, wholly or in part, from public or private lenders upon equivalent terms and conditions;

- (4) To collect and pay reasonable fees and charges in connection with making, purchasing and servicing of its loans, notes, bonds, commitments and other evidences of indebtedness; and
- (5) To borrow money to carry out and effectuate its corporate purposes and to issue its obligations as evidence of any such borrowing.

(d) Notwithstanding the provisions of G.S. 157-17.1, the approval of the Local Government Commission shall not be necessary for the issuance of bonds or the incurrence of indebtedness pursuant to this section, and the provisions of the Local Government Finance Act shall not be applicable with respect to bonds issued or indebtedness incurred pursuant to this section. Provided further that notwithstanding any other provision of State law or local ordinance, the approval of the governing body of the county or city in which the housing authority is located shall be necessary for the issuance of bonds or the incurrence of indebtedness pursuant to this section.

(e) This section applies only to housing authorities in any county with an area of 250 square miles or less and a population of more than 100,000 according to the most recent decennial federal census, and applies to all housing authorities of all cities within such counties.

(f) Not later than 30 days prior to making its determination, pursuant to subsections (c)(1), (2) or (3) of this section, that mortgage loans are not otherwise available wholly or in part from public or private lenders upon equivalent terms and conditions, an authority shall give written notice of a proposed financing, including the proposed terms and conditions of the mortgage loans to be made, to the North Carolina Housing Finance Agency. Within 20 days following receipt of such notice, the North Carolina Housing Finance Agency shall respond, in writing, to the authority, and provide the authority with any terms and conditions of mortgage loans which the Agency can make available and which the Agency believes are reasonably relevant to said determination."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 19th day of June, 1987.