

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1281

Short Title: Center for Comm. Self-Help Funds.

(Public)

Sponsors: Senators Martin of Pitt and Hunt of Durham.

Referred to: Appropriations.

May 11, 1989

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE CENTER FOR COMMUNITY SELF-HELP FOR HOME-OWNERSHIP LENDING PROGRAM.

Whereas, the price of homes has been rising in North Carolina and fewer families have been able to afford to purchase a home; and

Whereas, many families with low and moderate incomes are not able to afford and qualify for mortgage loans at levels and upon the terms and conditions that these loans are currently provided by mortgage lenders in the private sector; and

Whereas, there is a severe shortage of decent, safe, and sanitary housing which persons and families of low and moderate incomes in the State can afford; and

Whereas, it is in the best interest of the State to encourage home ownership by persons and families of low and moderate incomes; and

Whereas, families of low and moderate incomes should be able to acquire existing decent, safe, and sanitary housing without undue financial hardship; and

Whereas, the home ownership lending program furthered by this act will encourage private enterprise to sponsor, build, and rehabilitate additional housing for such persons and families; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Center of Community Self-Help \$4,000,000 for the 1989-90 fiscal year for the purpose of furthering a revolving loan program of lending, to be leveraged at a 24 to 1 ratio (\$96,000,000) with other funds for home-ownership to low and moderate income families in North Carolina. Loans made under the program shall be conditioned on the unavailability of mortgage loans for the same purposes from private lenders upon

1 reasonably equivalent terms and conditions. Payments of principal shall be available
2 for further loans.

3 Sec. 2. The Center for Community Self-Help will submit, within 180 days
4 after the close of its fiscal year, audited financial statements to the State Controller. All
5 records pertaining to the use of State funds will be made available to the State Auditor
6 upon request. The Center for Community Self-Help will make quarterly reports on the
7 use of State funds to the State Controller, in form and format prescribed by the State
8 Controller or his designee. The Center for Community Self-Help will make a written
9 report by May 1 of each year for the next three years to the General Assembly on the
10 use of the funds appropriated by this act.

11 Sec. 3. The Center for Community Self-Help shall report to the Joint
12 Legislative Commission on Governmental Operations, the House and Senate
13 Appropriations Committees on Natural and Economic Resources, and the Department
14 of Commerce on a quarterly basis for the life of the revolving fund as to the status of the
15 home-ownership lending program. The report shall include: the amount of total monies
16 available; the amount of total monies loaned; the total number of homes financed; and
17 the income of the borrowers.

18 Sec. 4. The Office of State Auditor may conduct an annual end-of-year audit
19 of the revolving fund for home ownership lending of the Center for Self-Help for each
20 year of the life of the revolving fund.

21 Sec. 5. If the Center for Community Self-Help, Inc., dissolves, the
22 corporation will transfer the remaining assets of the revolving fund to the State and will
23 refrain from disposing of the revolving fund assets without approval of the State
24 Treasurer.

25 Sec. 6. The Office of State Budget shall disburse the funds appropriated by
26 Section 1 of this act in one million dollar (\$1,000,000) increments upon presentation by
27 the Center for Community Self-Help of letters documenting the willingness of
28 institutions to make matching loan capital available for this program on a 24 to 1 basis
29 for each one million dollar (\$1,000,000) disbursement increment. The Office of State
30 Budget shall disburse the funds within 10 working days of the receipt of such letters.

31 Sec. 7. This act shall become effective July 1, 1989.