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SENATE BILL 105

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

ELIZABETH T. STEFANICS

AN ACT

RELATING TO HOUSING; PROVIDING FOR FINANCING ASSISTANCE FOR
RESIDENCES OF DISABLED LOW-INCOME PERSONS; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] LEGISLATIVE INTENT. -- The legislature finds that New Mexico persons with disabilities are at a particular disadvantage in the housing market. In many instances, their disabilities contribute significantly to their inability to earn income sufficient to purchase or otherwise obtain decent, safe and sanitary residential housing. The legislature's intent in creating and providing for the disabled low-income mortgage fund is to provide for suitable housing for disabled low-income persons in a manner that provides the necessary flexibility of repayment terms to enable such persons

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1 to afford to purchase housing.

2 Section 2. [NEW MATERIAL] DISABLED LOW-INCOME MORTGAGE
3 FUND--CREATED.--

4 A. The "disabled low-income mortgage fund" is
5 created.

6 B. The state housing authority of the economic
7 development department shall be the trustee of the disabled
8 low-income mortgage fund with authority to administer it in
9 accordance with law.

10 C. The disabled low-income mortgage fund shall be a
11 revolving fund consisting of money and interest received from
12 appropriations, federal grants, gifts, bequests and loan
13 repayments.

14 D. Loan repayments, interest earned on loans and
15 interest earned on the disabled low-income mortgage fund are
16 appropriated to the fund.

17 Section 3. [NEW MATERIAL] DISABLED LOW-INCOME MORTGAGE
18 FUND--PURPOSE--ELIGIBLE USE.--

19 A. The disabled low-income mortgage fund shall be
20 used to assist disabled low-income persons to fund all or a
21 portion of the financed cost of an ownership interest in their
22 sole residence and to pay reasonable administrative costs not to
23 exceed two percent of the amount disbursed from the fund. The
24 fund may loan not more than sixty percent of the total purchase
25 price, based on financial need determined in accordance with

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1 regulations of the state housing authority of the economic
2 development department.

3 B. Loans from the disabled low-income mortgage fund
4 shall be secured by a second or first mortgage on the property.
5 Loans shall be for a period of time not to exceed the lifetime
6 of the disabled low-income person. Required repayments, if any,
7 shall be based on the borrower's and any spouse's ability to
8 pay. The loan note shall require any borrower to make an annual
9 financial statement and report of income, including marital
10 community income, to the state housing authority of the economic
11 development department. Required repayments, if any, shall be
12 applied first to taxes and insurance, then to interest and
13 lastly to principal; provided that if required repayments are
14 insufficient to cover monthly interest, taxes and interest, the
15 amount of the insufficiency shall be added to principal on a
16 monthly basis, but shall not be deemed to constitute a default
17 so long as the required repayment, if any, is made timely. The
18 loan shall be due and payable in full not later than the date of
19 the disabled low-income borrower's death.

20 C. The state housing authority of the economic
21 development department shall determine a reasonable rate of
22 interest on loans from the disabled low-income mortgage fund,
23 taking into account market rates and the purpose of the fund.
24 No loan shall exceed fifty thousand dollars (\$50,000) during
25 calendar years 1996 and 1997. Thereafter, this limit shall be

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1 indexed to an appropriate federal consumer price index as
2 provided by state housing authority regulations.

3 D. The New Mexico mortgage finance authority shall
4 process applications, make recommendations as to eligibility and
5 arrange for all necessary documentation, closings and escrow
6 arrangements, if applicable, in accordance with regulations of
7 the state housing authority of the economic development
8 department.

9 E. The term "disabled low-income person" shall be
10 defined by regulation of the state housing authority of the
11 economic development department; provided that the definition
12 shall include only natural persons who are New Mexico citizens
13 with physical, mental or developmental disabilities that
14 materially contribute to their low-income status.

15 Section 4. Section 11-4-5 NMSA 1978 (being Laws 1975,
16 Chapter 102, Section 5, as amended) is amended to read:

17 "11-4-5. POWERS AND DUTIES DEFINED. --In addition to all
18 other powers and duties the [~~state housing~~] authority may have
19 in the Housing Authority Act and other provisions of law, the
20 [~~state housing~~] authority:

21 A. shall serve as liaison with the governor;

22 B. may apply to any appropriate agency of the United
23 States for participation in and for the receipt of aid from any
24 housing program;

25 C. shall administer federal and other funds [~~which~~]

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1 that are received, controlled or disbursed for the purposes of
2 carrying out the provisions of the Housing Authority Act;

3 D. shall coordinate and mobilize housing assistance
4 and funding resources in regard to the construction of new
5 housing, the rehabilitation of existing housing and rental or
6 leasing programs;

7 E. shall be responsible for housing data collection,
8 planning and research;

9 F. shall establish and define state housing goals
10 and policies in regard to the construction of new housing, the
11 rehabilitation of existing structures and rental or leasing
12 programs and shall assure proper implementation of rural and
13 urban housing programs, consistent with state needs;

14 G. shall coordinate with, assist and seek input from
15 local and regional housing authorities;

16 H. shall carry out housing promotion activities and
17 public information dissemination;

18 I. shall conduct a biennial review of all regional
19 housing authorities' programs and report its findings in writing
20 no later than September 1 of each even-numbered year to the
21 [~~finance and administration~~] department of finance and
22 administration and to the legislative finance committee;

23 J. shall cooperate with existing organizations in an
24 effort to secure all available assistance for rural low-income
25 housing;

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1 K. shall cooperate with and provide staff support to
2 the [~~housing advisory~~] committee; [~~and~~]

3 L. shall act as trustee of and administer the
4 disabled low-income mortgage fund; and

5 [~~L.~~] M. shall prescribe rules, regulations and
6 policies in connection with the performance of its functions and
7 duties. "

8 Section 5. A new Section 58-18-15.1 NMSA 1978 is enacted
9 to read:

10 "58-18-15.1. [NEW MATERIAL] AUTHORITY--DUTIES--DISABLED
11 LOW-INCOME MORTGAGE FUND LOANS.--The authority shall process
12 applications, make recommendations as to eligibility and arrange
13 for all necessary documentation, closings and escrow
14 arrangements for loans from the disabled low-income mortgage
15 fund in accordance with regulations of the state housing
16 authority of the economic development department. "

17 Section 6. APPROPRIATION.--Five hundred thousand dollars
18 (\$500,000) is appropriated from the general fund to the disabled
19 low-income mortgage fund for expenditure in fiscal year 1997 for
20 the purpose of implementing the fund's purpose. Any unexpended
21 or unencumbered balance remaining at the end of fiscal year 1997
22 shall not revert but shall remain in the fund for expenditure in
23 future fiscal years.

24 Section 7. EFFECTIVE DATE.--The effective date of the
25 provisions of this act is July 1, 1996.

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1 FORTY- SECOND LEGISLATURE
2 SECOND SESSION, 1996
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6 JANUARY 22, 1996
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8 Mr. President:

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10 Your COMMITTEES' COMMITTEE, to whom has been referred
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15 has had it under consideration and finds same to be GERMANE, PURSUANT
16 TO CONSTITUTIONAL PROVISIONS, and thence referred to the FINANCE
17 COMMITTEE.
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19 Respectfully submitted,
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SENATOR MANNY M. ARAGON, Chairman

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

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