

HOUSE BILL NO. 1297

Introduced by

Representatives Vetter, Beadle, Blum, Delmore, Grueneich, O'Brien, Owens, Sanford,
Satrom

Senators Casper, Kreun, Meyer

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century
2 Code, relating to creation of the affordable housing revolving loan fund; to provide a continuing
3 appropriation; and to provide for a transfer.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Affordable housing revolving loan fund - Continuing appropriation.**

- 8 1. The Bank of North Dakota shall maintain and administer a revolving loan fund to
9 provide low-interest loans to certified community land trusts to address affordable
10 housing needs and provide affordable housing in non-oil- and non-gas-impacted
11 counties. All moneys transferred into the fund, interest upon moneys in the fund, and
12 payments to the fund of principal and interest on loans made from the fund are
13 appropriated on a continuing basis to the Bank for administrative costs and for loan
14 disbursement according to this section. Moneys in the loan fund may be used for loans
15 as provided under this section and the costs of administration of the fund. The Bank
16 may deduct a service fee for administering the revolving loan fund annually.
- 17 2. An application for a loan under this section must be made to the housing finance
18 agency. The agency may approve the application of a qualified community land trust
19 that meets the criteria established by the agency. The agency shall forward approved
20 applications to the Bank. Upon approval of the application by the Bank, the Bank shall
21 make the loan from the revolving loan fund.
- 22 3. In approving loan applications under this section, the housing finance agency shall
23 ensure:

- 1 a. The applicant is a certified community land trust; and
- 2 b. The loan provides for affordable housing needs in non-oil- and non-gas-impacted
- 3 counties for purposes including:
- 4 (1) Continuing the availability of suitable and affordable rental housing;
- 5 (2) Addressing the shortage of housing for the state's workforce and
- 6 low-to-moderate income households; and
- 7 (3) Providing assistance to communities struggling to address housing needs.
- 8 4. The Bank may verify the applicant's ability to repay the loan. The Bank may adopt
- 9 policies setting additional qualifications for applicants and establishing timeframes
- 10 addressing when a land trust may be required to make loan draws and the
- 11 consequences of not meeting any deadlines, and setting other guidelines relating to
- 12 the loan fund.
- 13 5. The Bank may do all acts necessary to negotiate loans and preserve security as
- 14 deemed necessary, to exercise any right of redemption, and to bring suit to collect
- 15 interest and principal due to the revolving loan fund under contracts and notes
- 16 executed to obtain loans under this section.

17 **SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - AFFORDABLE HOUSING**

18 **REVOLVING LOAN FUND.** During the biennium beginning July 1, 2017, and ending June 30,
19 2019, the Bank of North Dakota shall transfer the sum of \$5,000,000, or so much of the sum as
20 may be necessary, from the Bank's current earnings and undivided profits to the affordable
21 housing revolving loan fund.