

Proposed Amendment for HFA to service and origination loans

54-17-07.3. Housing finance programs.

Acting in its capacity as a state housing finance agency, the industrial commission is authorized to establish the following housing finance programs:

1. Home mortgage finance program. A program or programs to provide financing or refinancing of loans made by lenders, including second mortgage loans and leasehold mortgage loans on tribal trust or other reservation lands, and leasehold mortgage loans that are insured, guaranteed, or assisted through an affordable housing program, to persons or families of low and moderate income for the purchase or substantial rehabilitation of owner occupied, single-family residential dwelling units, which includes mobile homes and manufactured housing. The commission may also authorize a program to provide refinancing of loans previously made by lenders and purchased under the home mortgage finance program.

2. The Housing Finance Agency may purchase, service and sell residential real estate loans secured by a first mortgage lien on real property originated by financial institutions. The loans may be held in the Housing Finance Agency portfolio or sold on the secondary market with servicing retained. All loans which are in excess of 80 percent of loan to value, and which are not guaranteed by a U.S. agency, must be insured by a private mortgage insurance company approved by Freddie Mac or Fannie Mae.

2.3. Mobile home and manufactured housing finance program. A program or programs to provide for the purchase or guaranty of a loan made by a lender to finance the purchase of a mobile home or a manufactured housing unit other than on a real property mortgage basis. A program authorized under this subsection may provide assistance in the development of low-income to moderate-income housing or to otherwise assist a developing community in the state address an unmet housing need or alleviate a housing shortage.

3.4. Multifamily housing finance program. A program or programs to provide financing directly or indirectly of construction, permanent, and combined construction and permanent mortgage loans, including participations in mortgage loans, for the acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of multifamily housing facilities. As part of the program, the industrial commission, acting in its capacity as a state housing finance agency, may enter a public and private partnership with any interested private entity and accept any gift, grant, or other type of financial aid or assistance, including a contribution to the housing incentive fund, to provide financing for the construction or rehabilitation of a multifamily housing facility in a developing community in the state to address an unmet housing need or alleviate a housing shortage. A private entity participating in this program may reserve a proportionate share of available units in the facility for occupancy by its workforce based on its financial participation in the facility, in addition to any units held for occupancy by individuals or families of low or moderate income.

4. 5. Mortgage loan financing program. A program or programs to provide for the purchase or guaranty of a temporary or permanent mortgage loan originated by a lender on residential real property or on land to be developed into residential real property, in addition to a mortgage loan acquired or to be acquired under subsections 1 through 3. A program authorized under this subsection may provide

assistance in the development of low to moderate income housing or to otherwise assist a developing community in the state address an unmet housing need or alleviate a housing shortage.

5. 6. Home improvement finance program. A program or programs to provide full or partial, indirect financing of improvements to existing residential dwelling units.

6. 7. Housing grant program. A program or programs to provide a grant other than those authorized by section 54-17-07.6 to encourage and promote housing availability for persons of low or moderate income or to otherwise assist a developing community in this state address an unmet housing need or alleviate a housing shortage.

7. 8. Residential mortgage program. A program or programs to originate residential mortgages if private sector mortgage loan services are not reasonably available. Under this program a local financial institution or credit union may assist the agency in taking a loan application, gathering required documents, ordering legal documents, and maintaining contact with the borrower. At a minimum, the applicant must be referred to the agency by a local financial institution or credit union, the loan application must be for an owner-occupied primary residence, and the agency must provide or cause to be provided all regulatory disclosures, process and underwrite the loan, prepare closing documents and disburse the loan.

~~54-17-07.12. Housing finance agency as wholesale servicing mortgage lender.~~

~~The business and transactions of the housing finance agency in addition to other matters specified in this chapter may include anything that any corporation or limited liability company lawfully may do in conducting a wholesale servicing mortgage lending business, except as it is restricted by the provisions of this chapter. This provision may not be held in any way to limit or qualify either the powers of the industrial commission granted by or the functions of the housing finance agency as defined in this chapter. The powers of the industrial commission and the functions of the housing finance agency must be implemented through actions taken and policies adopted by the industrial commission. For purposes of this chapter, a wholesale servicing mortgage lender is a mortgage loan wholesaler that neither solicits mortgage applications nor deals directly with mortgage loan applicants, it purchases loans from mortgage originators, pools the loans, and then sells them to private or governmental investors while retaining the servicing rights.~~