

MAINE STATE LEGISLATURE

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New Draft of: H. P. 503, L. D. 656

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2029

H. P. 1612

House of Representatives, June 12, 1973

Reported by Majority from the Committee on State Government and printed under Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Eestablish a State Housing Rehabilitation Program.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 30, c. 239, sub-c. II, article 8, additional. Subchapter II of chapter 239 of Title 30 of the Revised Statutes is amended by adding a new article 8 to read as follows:

ARTICLE 8. MAINE HOUSING REHABILITATION ACT

§ 4791. Short title

This Act shall be known and may be cited as the Maine Housing Rehabilitation Act.

§ 4792. Rehabilitation loans

The State Housing Authority may guarantee and subsidize residential housing rehabilitation loans made by any financial institution to qualified individuals, said loans not to exceed \$4,500, and to local housing authorities and other persons which rent housing to qualified individuals, at an interest rate of not less than 1% nor more than 9% per year, such rates to be based upon income schedules established by the authority, for a maximum repayment period of 30 years and upon such other terms and conditions including, but not limited to, prepayment penalties as may be established by the authority from time to time; provided the authority may review income levels biannually for the purpose of altering the interest rate of outstanding loans.

§ 4793. Residential Rehabilitation Loan Fund

The Residential Rehabilitation Loan Fund is established to be used by the authority as a nonlapsing, revolving fund for carrying out the purposes of

section 4792. To this fund shall be credited all appropriations, loan repayments, fees and all other amounts related to section 4792 and from this fund shall be charged any and all expenses of the authority related to section 4792, including administrative expenses, loan subsidies and other related charges.

Moneys in the fund not needed to meet current obligations of the authority in the exercise of its responsibilities under section 4792 shall be deposited with the Treasurer of the State to the credit of the fund and invested in such a manner as provided by statutes or, at the discretion of the authority, deposited with a major bank trustee under the mortgage purchase program and managed and invested in a like manner as other moneys held by said trustees.

§ 4794. Administration

The State Housing Authority shall administer the program provided in section 4792 in accordance with the following:

1. The State Housing Authority is authorized to enter into agreements with any financial institution to guarantee and subsidize loans to persons who qualify upon income schedules and upon such other reasonable terms and conditions the Housing Authority shall require by rule and regulation, including, but not limited to, audits, the type and condition of housing to be rehabilitated, and the nature of the rehabilitation to be done.

The Housing Authority shall expend funds pursuant to section 4792 by apportioning the funds on an equal per capita basis based on the most recent United States census by county.

§ 4795. General provisions

1. Limitation. No individual or structure may receive more than one guaranteed or subsidized loan within a 7-year period.

2. The Housing Authority shall not guarantee or subsidize any loans pursuant to this Article until it has promulgated the rules and regulations required in section 4794 and those rules and regulations have been submitted to the Governor and Council for their review and have been approved by the Governor and Council.

3. Whenever feasible the Housing Authority shall cooperate with, assist and enter into joint ventures with any other governmental agency which operates a housing rehabilitation program.

Sec. 2. Appropriation. There is appropriated from the Unappropriated Surplus of the General Fund the sum of \$1,000,000 to carry out the purposes of this Act.

STATEMENT OF FACT

This bill creates a Residential Rehabilitation Loan Fund to enable rural towns and cities to embark on programs which, by bringing substandard housing up to code standards through low-interest loans and grants to qualified applicants, will contribute to the value and appearance of residential property and thereby increase the tax base of the community.