

MAINE STATE LEGISLATURE

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MINORITY

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L.D. 2036

DATE: 1-31-02

(Filing No. H-764)

MINORITY
APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1533, L.D. 2036, Bill, "An Act to Increase Home Ownership"

Amend the bill by striking out everything after the title and before the enacting clause.

Further amend the bill in section 1 in subsection 1 in the 4th line (page 1, line 26 in L.D.) by striking out the following: "\$2,150,000,000" and inserting in its place the following: '\$1,950,000,000'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Maine State Housing Authority to adopt policy. The Maine State Housing Authority, referred to in this section as "MSHA," shall adopt a policy to prohibit the owner of a former MSHA-financed multifamily housing project from participating in MSHA programs funded with bond proceeds backed by the State's moral obligation if the owner defaulted under the MSHA financing, resulting in a foreclosure or acceptance of a deed in lieu of foreclosure of the mortgage securing the MSHA financing. The policy may allow a waiver of the policy for public policy reasons. The waiver must be in writing, be signed by the director of MSHA and state the justification for the waiver.'

Further amend the bill by striking out all of the emergency clause.

2 Further amend the bill by inserting at the end before the
summary the following:

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FISCAL NOTE

8 The bill increases the amount of bonds that the Maine State
10 Housing Authority may issue in a certain category by \$300,000,000
to \$1,950,000,000. The additional bonding authority increases
12 the moral obligation of the State. This increase of moral
obligation of the State may increase the exposure of the General
14 Fund to future debt service appropriation requirements in the
event of significant default activity.'

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SUMMARY

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20 This amendment is the minority report. It increases the
amount of bonds that the Maine State Housing Authority may issue
in a certain category to \$1,950,000,000.

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24 It also requires the Maine State Housing Authority to adopt
a policy to prohibit certain owners of MSHA-financed property who
26 defaulted on their loans from participating in MSHA programs
funded with bond proceeds backed by the State's moral
obligation. This policy may allow a waiver for public policy
28 reasons. It removes the emergency preamble and emergency
clause. It also adds a fiscal note to the bill.