



HOUSE BILL No. 4813

May 25, 1993, Introduced by Reps. Saunders, Rivers, Agee, Dobronski, Hill, DeMars, Varga, Gire, Kilpatrick, Joe Young, Jr. and Wetters and referred to the Committee on Housing and Urban Affairs.

A bill to amend sections 11, 17, 32, 32a, 32b, 44, 44a, 49, 49j, 49k, 49n, 49o, 49t, and 49u of Act No. 346 of the Public Acts of 1966, entitled as amended

"State housing development authority act of 1966,"

section 11 as amended by Act No. 281 of the Public Acts of 1989, section 17 as amended by Act No. 217 of the Public Acts of 1983, sections 32, 44, and 44a as amended by Act No. 138 of the Public Acts of 1991, sections 32a and 32b as amended by Act No. 137 of the Public Acts of 1991, and sections 49, 49j, 49k, 49n, 49o, 49t, and 49u as added by Act No. 173 of the Public Acts of 1981, being sections 125.1411, 125.1417, 125.1432, 125.1432a, 125.1432b, 125.1444, 125.1444a, 125.1449, 125.1449j, 125.1449k, 125.1449n, 125.1449o, 125.1449t, and 125.1449u of the Michigan Compiled Laws; and to add section 49v.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 11, 17, 32, 32a, 32b, 44, 44a, 49, 49j,
2 49k, 49n, 49o, 49t, and 49u of Act No. 346 of the Public Acts of
3 1966, section 11 as amended by Act No. 281 of the Public Acts of
4 1989, section 17 as amended by Act No. 217 of the Public Acts of
5 1983, sections 32, 44, and 44a as amended by Act No. 138 of the
6 Public Acts of 1991, sections 32a and 32b as amended by Act
7 No. 137 of the Public Acts of 1991, and sections 49, 49j, 49k,
8 49n, 49o, 49t, and 49u as added by Act No. 173 of the Public Acts
9 of 1981, being sections 125.1411, 125.1417, 125.1432, 125.1432a,
10 125.1432b, 125.1444, 125.1444a, 125.1449, 125.1449j, 125.1449k,
11 125.1449n, 125.1449o, 125.1449t, and 125.1449u of the Michigan
12 Compiled Laws, are amended and section 49v is added to read as
13 follows:

14 Sec. 11. As used in this act:

15 (a) "Authority" means the Michigan state housing development
16 authority created in this act.

17 (b) "Development costs" means the costs that have been
18 approved by the authority as appropriate expenditures, and
19 includes:

20 (i) Payments for options to purchase properties on the pro-
21 posed housing project site, deposits on contracts of purchase,
22 or, with the prior approval of the authority, payments for the
23 purchases of those properties.

24 (ii) Legal, organizational, and marketing expenses, includ-
25 ing payment of attorneys' fees, project manager and clerical
26 staff salaries, office rent, and other incidental expenses.

1 (iii) Payment of fees for preliminary feasibility studies,
2 advances for planning, engineering, and architectural work.

3 (iv) Expenses for surveys as to need, and market analyses.

4 (v) Necessary application and other fees to federal and
5 other government agencies.

6 (vi) Other expenses incurred by the nonprofit housing corpo-
7 ration, consumer housing cooperative, limited dividend housing
8 corporation, mobile home park corporation, or mobile home park
9 association that the authority considers appropriate to effectu-
10 ate the purposes of this act.

11 (c) "Federally-aided mortgage" means any of the following:

12 (i) A below market interest rate mortgage insured, pur-
13 chased, or held by the secretary of the department of housing and
14 urban development.

15 (ii) A market interest rate mortgage insured by the secre-
16 tary of the department of housing and urban development and aug-
17 mented by a program of rent supplements.

18 (iii) A mortgage receiving interest reduction payments pro-
19 vided by the secretary of the department of housing and urban
20 development.

21 (iv) A MORTGAGE ON A HOUSING PROJECT TO WHICH THE AUTHORITY
22 ALLOCATES LOW INCOME HOUSING TAX CREDITS UNDER SECTION 22B.

23 (v) ~~-(iv)-~~ A mortgage receiving special benefits under other
24 federal law designated specifically to develop low and moderate
25 income housing, consistent with this act.

26 (d) "Fund" means the housing development fund created by
27 this act.

1 (e) "Project cost" means the sum total of all reasonable or
2 necessary costs incurred by the nonprofit housing corporation,
3 consumer housing cooperative, limited dividend housing corpora-
4 tion, mobile home park corporation, or mobile home park associa-
5 tion for carrying out all works and undertakings for the comple-
6 tion of a housing project and approved by the authority. In
7 addition to other reasonable and necessary costs, "project costs"
8 includes costs for all of the following: studies and surveys;
9 plans, specifications, and architectural and engineering serv-
10 ices; legal, organization, marketing, or other special services;
11 financing, acquisition, demolition, construction, equipment, and
12 site development of new and rehabilitated buildings; movement of
13 existing buildings to other sites; rehabilitation, reconstruc-
14 tion, repair, or remodeling of existing buildings; carrying
15 charges during construction; the cost of placement of tenants or
16 occupants, and relocation services in connection with a housing
17 project; and, to the extent not already included, all development
18 costs.

19 (f) "Housing project" means any of the following:

20 (i) Residential real property developed or to be developed
21 or receiving benefits under this act.

22 (ii) A specific work or improvement either for rental or for
23 subsequent sale to an individual purchaser undertaken by a non-
24 profit housing corporation, consumer housing cooperative, limited
25 dividend housing corporation, mobile home park corporation, or
26 mobile home park association pursuant to or receiving benefits
27 under this act to provide dwelling accommodations, including the

1 acquisition, construction, or rehabilitation of lands, buildings,
2 and improvements.

3 (iii) Social, recreational, commercial, and communal facili-
4 ties ~~as~~ THAT the authority finds necessary to serve and improve
5 a residential area in which housing pursuant to subparagraph (i)
6 or (ii) is located or is planned to be located, thereby enhancing
7 the viability of the housing.

8 (g) "Low income or moderate income persons" means families
9 and persons who cannot afford to pay the amounts at which private
10 enterprise, without federally-aided mortgages or loans from the
11 authority, is providing a substantial supply of decent, safe, and
12 sanitary housing and who fall within income limitations set in
13 this act or by the authority in its rules. Among low income or
14 moderate income persons, preference shall be given to the elderly
15 and those displaced by urban renewal, slum clearance, or other
16 governmental action.

17 (h) "Municipality" means a city, village, or township in
18 this state.

19 (i) "County" means a county within this state.

20 (j) "Governing body" means in the case of a city, the coun-
21 cil or commission of the city; in the case of a village, the
22 council, commission, or board of trustees of the village; in the
23 case of a township, the township board; and in the case of a
24 county, the county board of commissioners.

25 (k) "Nonprofit housing corporation" means a nonprofit corpo-
26 ration incorporated pursuant to the corporation laws of this
27 state and chapter 4.

1 (l) "Consumer housing cooperative" means a nonprofit
2 corporation incorporated pursuant to the corporation laws of this
3 state and chapter 5.

4 (m) "Annual shelter rent" means the total collections during
5 an agreed annual period from all occupants of a housing project
6 representing rent or occupancy charges, exclusive of charges for
7 gas, electricity, heat, or other utilities furnished to the
8 occupants.

9 (n) "Taxing jurisdiction" means a municipality, county, or
10 district, including a school district or any special district
11 having the power to levy or collect taxes upon real property or
12 in whose behalf taxes may be levied or collected.

13 (o) "Elderly" means a ~~family in which the head of the~~
14 SINGLE PERSON WHO IS 55 YEARS OF AGE OR OLDER OR A household ~~is~~
15 ~~62~~ IN WHICH AT LEAST 1 MEMBER IS 55 years of age or older ~~or a~~
16 ~~single person who is 62~~ AND ALL OTHER MEMBERS ARE 50 years of
17 age or older.

18 (p) "Housing development" means a development that contains
19 a significant element of housing for persons of low or moderate
20 income and elements of other housing and commercial, recreation-
21 al, industrial, communal, and educational facilities that the
22 authority determines improve the quality of the development as it
23 relates to housing for persons of low or moderate income.

24 (q) "Limited dividend housing corporation" means a corpora-
25 tion incorporated or qualified pursuant to the corporation laws
26 of this state and chapter 6 and a limited dividend housing
27 association organized and qualified pursuant to chapter 7.

1 (r) "Residential real property" means real property located
2 in this state, used for residential purposes, and improved or to
3 be improved by a residential structure. Residential real prop-
4 erty includes a mobile home, a mobile home park, and a mobile
5 home condominium project. When the terms "rehabilitate" or
6 "rehabilitation" are used in conjunction with residential real
7 property, residential real property refers to property improved
8 by a residential structure.

9 (s) "Rehabilitation" means all or part of those repairs and
10 improvements necessary to make residential real property safe,
11 sanitary, or adequate.

12 (t) "Deferred payment loan" means a loan that is repayable
13 or partially repayable upon the occurrence of a specified event
14 as determined by the authority.

15 (u) "Eligible distressed area" means any of the following:

16 (i) An area located in a city with a population of at least
17 10,000, which area is either designated as a "blighted area" by a
18 local legislative body pursuant to Act No. 344 of the Public Acts
19 of 1945, as amended, being sections 125.71 to 125.84 of the
20 Michigan Compiled Laws, or which area is determined by the
21 authority to be blighted or largely vacant by reason of clearance
22 of blight, if, with respect to the area, the authority determines
23 all of the following:

24 (A) That private enterprise has failed to provide a supply
25 of adequate, safe, and sanitary dwellings sufficient to meet
26 market demand.

1 (B) That approval of elimination of income limits applicable
2 in connection with authority loans has been received from the
3 city in the form of either a resolution adopted by the highest
4 legislative body of the city or, if the city charter provides for
5 the mayor to be elected at large with that office specifically
6 designated on the ballot, provides that the office of mayor is a
7 full-time position, and provides that the mayor has the power to
8 veto legislative actions of the legislative body of that city, a
9 written communication from the mayor of that city.

10 (ii) A municipality that meets all of the following
11 requirements:

12 (A) The municipality shows a negative population change from
13 1970 to the date of the most recent federal decennial census.

14 (B) The municipality shows an overall increase in the state
15 equalized value of real and personal property of less than the
16 statewide average increase since 1972.

17 (C) The municipality has a poverty rate, as defined by the
18 most recent federal decennial census, greater than the statewide
19 average.

20 ~~-(D) The municipality is eligible for the federal urban~~
21 ~~development action grant program pursuant to section 119 of the~~
22 ~~housing and community development act of 1974, 42 U.S.C. 5318.~~

23 (D) ~~-(E)~~ The municipality has had an unemployment rate
24 higher than the statewide average unemployment rate for 3 of the
25 preceding 5 years.

26 (iii) ~~An area in a city with a population of more than~~
27 ~~20,000 which area is within the boundaries of a downtown~~

~~1 development authority established under Act No. 197 of the Public~~
~~2 Acts of 1975, being sections 125.1651 to 125.1681 of the Michigan~~
~~3 Compiled Laws, as those boundaries were constituted on May 1,~~
~~4 1984.~~ AN AREA LOCATED IN A LOCAL UNIT OF GOVERNMENT CERTIFIED BY
5 THE MICHIGAN ENTERPRISE ZONE AUTHORITY AS MEETING THE CRITERIA
6 PRESCRIBED IN SECTION 2(D) OF THE NEIGHBORHOOD ENTERPRISE ZONE
7 ACT, ACT NO. 147 OF THE PUBLIC ACTS OF 1992, BEING SECTION
8 207.772 OF THE MICHIGAN COMPILED LAWS.

9 (v) "Mobile home" means a structure, transportable in 1 or
10 more sections, that is built on a chassis and is designed to be
11 used as a dwelling with or without permanent foundation, when
12 connected to the required utilities, and includes the plumbing,
13 heating, air conditioning, and electrical systems contained in
14 the structure. Mobile home may, but need not, include the real
15 property to which the mobile home may be attached. Mobile home
16 does not include a recreational vehicle.

17 (w) "Mobile home condominium project" means a condominium
18 project in which mobile homes are intended to be located upon
19 separate sites that constitute individual condominium units and
20 which complies with the condominium act, Act No. 59 of the Public
21 Acts of 1978, as amended, being sections 559.101 to 559.275 of
22 the Michigan Compiled Laws.

23 (x) "Mobile home park" means a parcel or tract of land under
24 the control of a person or entity upon which 3 or more mobile
25 homes are located on a continual, nonrecreational, residential
26 basis and that is offered to the public for general public use
27 for continual, nonrecreational, residential purposes regardless

1 of whether a charge is made ~~therefor~~ FOR THAT USE, together
2 with any social, recreational, commercial, and communal facili-
3 ties used or intended for use incident to the occupancy of a
4 mobile home. Mobile home park does not include trailer parks and
5 courts for use on a transient basis.

6 (y) "Mobile home park association" means a mobile home park
7 association organized and qualified pursuant to chapter 9.

8 (z) "Mobile home park corporation" means a corporation
9 incorporated pursuant to the corporation laws of this state and
10 qualified pursuant to chapter 8.

11 (aa) "Housing unit" means living accommodations that are
12 intended for occupancy by a single family, THAT MAY BE SITE CON-
13 STRUCTED OR MAY BE A MOBILE HOME OR OTHER FORM OF MANUFACTURED
14 HOUSING, and with respect to which either of the following
15 applies:

16 (i) The occupant owns the housing unit.

17 (ii) A cooperative shareholder or member has a proprietary
18 lease of the housing unit.

19 ~~A housing unit may be site constructed or may be a mobile home or~~
20 ~~other form of manufactured housing.~~

21 (bb) "Moderate cost residential rental property" means
22 dwelling units for which the rental payment is equal to or less
23 than that established from time to time as the fair market rents
24 for existing housing pursuant to 1 of the following:

25 (i) The section 8 leased housing program established under
26 section 8 of the United States housing act of 1937,

1 42 U.S.C. 1437f, and the regulations promulgated under that act,
2 or a substantially equivalent successor federal program.

3 (ii) A determination made by the authority of the average
4 fair market rent for existing rental property.

5 (cc) "Area of chronic economic distress" means an area that
6 qualifies as a "qualified census tract" or an "area of chronic
7 economic distress" as defined in former section 103A(k) of the
8 internal revenue code, or an eligible distressed area.

9 (dd) "Mortgage lender" means a state or national bank, state
10 or federal savings and loan association, mortgage company, insur-
11 ance company, ~~any~~ state pension fund, or any other financial
12 institution, intermediary, or entity authorized to make mortgage
13 loans in this state.

14 (ee) "Authority-aided mortgage" means a mortgage made, held,
15 purchased, or assisted by the authority.

16 (ff) "Subsidiary nonprofit housing corporation" means an
17 entity created under section 22c.

18 (gg) "Family income" means all income that is included in a
19 determination of family income under section 143(f) of the inter-
20 nal revenue code together with the income of all adults who will
21 reside in the residence, which income might otherwise be excluded
22 from consideration because the individual was not expected to
23 both live in the residence and be primarily or secondarily liable
24 on the mortgage note.

25 (hh) "Statewide median gross income" means the statewide
26 median gross income as determined under section 143(f) of the
27 internal revenue code.

1 (ii) "Mutual housing association" means a corporation
2 organized in accordance with chapter 10.

3 Sec. 17. The authority may provide to ~~nonprofit housing~~
4 ~~corporations, consumer housing cooperatives, limited dividend~~
5 ~~housing corporations, mobile home park corporations, and mobile~~
6 ~~home park associations~~ ANY ORGANIZATION OR PERSON PARTICIPATING
7 OR INTENDING TO PARTICIPATE IN THE DEVELOPMENT, DESIGN, OR MAN-
8 AGEMENT OF AUTHORITY-ASSISTED HOUSING OR IN THE CONTRACTING OR
9 SUBCONTRACTING OF THE CONSTRUCTION OR REHABILITATION OF
10 AUTHORITY-ASSISTED HOUSING, such advisory, consultative,
11 TECHNICAL, training, and educational services as will assist them
12 to ~~become owners of housing projects, in accordance with the~~
13 ~~provisions of this act~~ MORE EFFECTIVELY PROVIDE
14 AUTHORITY-ASSISTED HOUSING. Advisory and educational services
15 may include but are not necessarily limited to technical and pro-
16 fessional planning assistance, the preparation and promulgation
17 of organizational planning and development outlines and guides,
18 consultation services, training courses, seminars and lectures,
19 the preparation and dissemination of newsletters and other
20 printed materials, and the services of field representatives.
21 ~~The authority may provide nonprofit housing corporations, con-~~
22 ~~sumer housing cooperatives, limited dividend housing corpora-~~
23 ~~tions, mobile home park corporations, and mobile home park asso-~~
24 ~~ciations with advisory, consultative, technical, training, and~~
25 ~~educational services in the management of housing projects,~~
26 ~~including but not limited to home management and training and~~
27 ~~advisory services for the residents of the housing projects so as~~

~~1 to promote efficient and harmonious management of the housing~~
~~2 projects.~~

3 Sec. 32. (1) The authority may create and establish 1 or
4 more special funds called capital reserve funds to secure notes
5 and bonds of the authority. The authority shall pay into a capi-
6 tal reserve fund money appropriated and made available by this
7 state for the purposes of the fund, the proceeds of the sale of
8 notes or bonds to the extent provided in the resolution of the
9 authority authorizing the issuance of the notes or bonds, and
10 other money that is made available to the authority for the pur-
11 pose of a fund from any other source. In addition to, or in lieu
12 of, depositing money in a capital reserve fund, the authority may
13 obtain and pledge letters of credit that may be drawn upon for
14 the purposes of the capital reserve fund, and the amount avail-
15 able to be drawn under letters of credit pledged to a capital
16 reserve fund shall be credited toward the satisfaction of a capi-
17 tal reserve fund requirement. All money and proceeds of draws
18 under letters of credit held in any capital reserve fund, except
19 as specifically provided, shall be used as required solely for
20 the payment of the principal of notes or bonds of the authority
21 secured in whole or in part by the capital reserve fund, for the
22 purchase or redemption of notes or bonds, for the payment of
23 interest on the notes or bonds, or for the payment of any redemp-
24 tion premium required to be paid when the notes or bonds are
25 redeemed prior to maturity. However, the authority shall not use
26 the capital reserve fund for any optional purchase or optional
27 redemption of notes or bonds if the use would reduce the total of

1 the money on deposit in the capital reserve fund and amounts
2 available to be drawn on any letter of credit pledged to a capi-
3 tal reserve fund to less than the capital reserve fund require-
4 ment established for the fund. Any income or interest earned by,
5 or increment to, a capital reserve fund due to the investment of
6 the money in the capital reserve fund may be transferred by the
7 authority to other funds or accounts of the authority to the
8 extent that the transfer does not reduce the total of the amount
9 of money in a capital reserve fund and amounts available to be
10 drawn on any letter of credit pledged to the capital reserve fund
11 below the capital reserve fund requirement for a fund.

12 (2) The authority shall not at any time issue notes or bonds
13 secured in whole or in part by a capital reserve fund if, upon
14 the issuance of the notes or bonds, the amount in the capital
15 reserve fund, including the amounts available to be drawn on any
16 letter of credit pledged to a capital reserve fund, would be less
17 than the capital reserve fund requirement for the fund, unless
18 the authority, at the time of issuance of the notes or bonds,
19 deposits in the fund from the proceeds of the notes or bonds to
20 be issued, or from other sources, an amount that, together with
21 the amount then in the fund, is not less than the capital reserve
22 fund requirement for the fund, or obtains a letter of credit in
23 an amount that, together with the amount then in the fund, is not
24 less than the capital reserve fund requirement for the fund. For
25 purposes of this section, "capital reserve fund requirement"
26 means the requirement provided in the resolution of the authority
27 authorizing the notes or bonds with respect to which the fund is

1 established, which amount shall not exceed the maximum amount of
2 principal and interest maturing and becoming due in any succeed-
3 ing calendar year on the notes or bonds of the authority secured
4 in whole or part by the fund.

5 (3) The authority has, before January 9, 1977, in connection
6 with its housing development bonds issued pursuant to a bond res-
7 olution dated June 10, 1971, established within the capital
8 reserve fund relating to housing development bonds, a capital
9 reserve account and a capital reserve capital account. This cap-
10 ital reserve account constitutes a capital reserve fund under
11 this act. Money in this capital reserve account shall secure
12 only housing development bonds issued pursuant to the June 10,
13 1971 bond resolution. Unless otherwise provided by the authori-
14 ty, money in the capital reserve capital account shall secure all
15 bonds and notes of the authority. In determining whether the
16 capital reserve fund requirement established for any capital
17 reserve fund has been met, the authority shall not include or
18 take into account money in the capital reserve capital account.

19 (4) The authority has, before January 9, 1977, in connection
20 with its insured mortgage revenue bonds issued pursuant to a bond
21 resolution dated May 11, 1976, established a bond reserve fund.
22 This bond reserve fund constitutes a capital reserve fund under
23 this act.

24 (5) The authority may issue notes and bonds subject to the
25 following limitations:

26 (a) The authority shall not have outstanding at any time
27 bonds and notes for any of its corporate purposes in an aggregate

1 principal amount exceeding ~~\$3,400,000,000.00~~ \$4,200,000,000.00,
2 excluding all of the following:

3 (i) The principal amount of bonds and notes issued to refund
4 outstanding bonds and notes.

5 (ii) The principal amount of bonds and notes that appreciate
6 in principal amount, except to the extent of the principal amount
7 of these bonds and notes payable at such time.

8 (iii) The principal amount of notes and bonds representing
9 original issue discount, if any.

10 (b) After November 1, ~~1993~~ 1997, the limitation on the
11 aggregate principal amount of notes and bonds provided in subdi-
12 vision (a) is reduced to \$1,800,000,000.00, but, in addition to
13 the exclusions provided in subdivision (a), the aggregate princi-
14 pal amount of bonds and notes issued before November 2, ~~1993~~
15 1997, subject to the limitations of section 32a shall be excluded
16 from this reduced limitation.

17 (6) Subject to the limitation in subsection (5), that por-
18 tion of the state ceiling to be used for qualified mortgage
19 bonds, mortgage credit certificates, or bonds to finance quali-
20 fied residential rental projects shall be allocated to the
21 authority unless the authority elects by resolution to allow
22 another issuer to issue qualified mortgage bonds, mortgage credit
23 certificates, or bonds to finance qualified residential rental
24 projects. As used in this subsection:

25 (a) "State ceiling" means the aggregate amount of certain
26 private activity bonds, including qualified mortgage bonds,

1 ~~which~~ THAT may be issued in any calendar year in this state
2 pursuant to section 146 of the internal revenue code.

3 (b) "Qualified mortgage bond", "mortgage credit
4 certificate", and "qualified residential rental project" mean
5 those terms as defined in the internal revenue code.

6 (7) To assure the continued operation and solvency of the
7 authority for the carrying out of the public purposes of this
8 act, the authority shall accumulate in each capital reserve fund
9 an amount equal to the capital reserve fund requirement for that
10 fund. If at any time the capital reserve fund requirement for a
11 capital reserve fund exceeds the amount of the capital reserve
12 fund, the authority shall transfer to this fund from the capital
13 reserve capital account established by the authority's June 10,
14 1971 bond resolution the amount necessary to restore the capital
15 reserve fund to an amount equal to the capital reserve fund
16 requirement. If a deficiency exists in more than 1 capital
17 reserve fund and the amount in the capital reserve capital
18 account is not sufficient to fully restore the capital reserve
19 funds, the money in the capital reserve capital account shall be
20 allocated between the deficient capital reserve funds pro rata
21 according to the amounts of the deficiencies. If at any time the
22 capital reserve capital account has been exhausted and the capi-
23 tal reserve fund requirement for a capital reserve fund exceeds
24 the amount of the capital reserve fund, the chairperson of the
25 authority on or before September 1 shall certify to the governor
26 and budget director the amount, if any, necessary to restore a
27 capital reserve fund to an amount equal to the capital reserve

1 fund requirement. The governor and the budget director shall
2 include in the annual budget the amount certified by the chair-
3 person of the authority.

4 (8) In computing the amount of a capital reserve fund for
5 the purposes of this section, securities in which all or a por-
6 tion of the fund is invested shall be valued at par. If the
7 securities are purchased at other than par, the securities may be
8 valued at their cost to the authority, as adjusted by amortiza-
9 tion of the discount or premium paid upon purchase of the securi-
10 ties on a pro rata basis to the maturity date of the securities.

11 (9) To the extent possible and consistent with sound fiscal
12 management and good housing development planning, the authority
13 shall make full use of available federal housing subsidy
14 programs. The authority shall recommend programs and legislation
15 to better maintain and improve existing housing stock.

16 (10) The authority shall require that not less than 15% of
17 the multifamily dwelling units financed by mortgage loans from
18 the authority in any calendar year under federal government sub-
19 sidy programs, subject to applicable federal regulations, be
20 offered on a priority basis to low income families and persons
21 receiving their primary incomes from social security programs or
22 state and federal public assistance programs.

23 (11) The authority shall implement a program of loans for
24 mobile homes as soon as is reasonably feasible. The authority
25 shall develop a program for financing the construction or reha-
26 bilitation of mobile home parks and mobile home condominium
27 projects within 24 months after December 31, 1982, subject to a

1 determination of feasibility by the authority and the authority's
2 ability to sell bonds.

3 (12) The authority shall implement a program of loans for
4 consumer housing cooperatives as soon as is reasonably feasible.
5 The authority shall develop a program for financing the construc-
6 tion or rehabilitation of consumer housing cooperative projects
7 within 12 months after July 10, 1984, subject to a determination
8 of feasibility by the authority and the authority's ability to
9 sell bonds.

10 (13) In addition to the powers granted the ~~state housing~~
11 ~~development~~ authority in this act to promulgate rules pursuant
12 to the administrative procedures act of 1969, Act No. 306 of the
13 Public Acts of 1969, being sections 24.201 to 24.328 of the
14 Michigan Compiled Laws, the authority shall furnish to each
15 member of the legislature a copy of notice of a public hearing or
16 proposed rule change at least 10 days before the public hearing
17 and at least 20 days before the adoption of the rule.

18 (14) Before October 1 of each year, the authority shall
19 identify housing production goals for housing projects financed
20 with bonds and notes issued under the limitations provided in
21 section 32a. The authority shall identify a goal for the author-
22 ity as a whole and a specific goal for each program. The author-
23 ity shall submit those goals in an annual report to the governor
24 and to the house committee on urban affairs and the senate com-
25 mittee on finance, or their successor committees.

26 (15) Within 6 months after the legislature enacts or the
27 authority adopts a new program, the authority shall submit an

1 interim report to the same persons to which an annual report is
2 submitted. If both the legislature and the authority establish a
3 program, the authority shall submit the interim report within 6
4 months after the effective date of the act establishing the
5 program. The authority shall include in an interim report all of
6 the information required in an annual report that is specific to
7 that program.

8 (16) After the initial or an interim report, the authority
9 shall include in an annual report all of the following for each
10 program:

11 (a) Whether the production goals for the previous 12-month
12 period have been met. If those production goals have not been
13 met, the authority shall explain in the report the reasons why
14 those production goals have not been met.

15 (B) ANY SIGNIFICANT OBSTACLES TO THE DEVELOPMENT OF HOUSING
16 FOR LOW AND MODERATE INCOME PERSONS THAT HAVE BEEN ENCOUNTERED BY
17 THE AUTHORITY.

18 (C) ~~-(b)-~~ The estimated economic and social benefits of
19 these housing projects to the immediate neighborhoods in which
20 the housing projects have been constructed.

21 (D) ~~-(e)-~~ The estimated economic and social benefits of
22 these housing projects to the municipalities in which the housing
23 projects have been constructed.

24 (E) ~~-(d)-~~ The extent of displacement, direct and indirect,
25 of lower income persons caused by these housing projects, and
26 steps taken by the authority and other governmental and private

1 parties to ameliorate the displacement, and the results of those
2 efforts.

3 (F) ~~-(e)-~~ The estimated extent of additional reinvestment
4 activities by private lenders attributable to the authority's
5 financing of these housing projects.

6 (G) ~~-(f)-~~ The age, race, family size, median income, and
7 average income of the tenants of these housing projects.

8 (H) ~~-(g)-~~ The estimated economic impact of these housing
9 projects, including the number of construction jobs created,
10 wages paid, and taxes and payments in lieu of taxes paid.

11 (I) ~~-(h)-~~ The progress in developing mobile home parks and
12 mobile home condominium projects, in financing the construction
13 or rehabilitation of consumer housing cooperative projects, and
14 in financing the construction or rehabilitation of nonprofit
15 housing corporation projects.

16 (J) ~~-(i)-~~ A report on the neighborhood preservation program
17 under section 44f shall include information about the progress in
18 developing the program, the neighborhoods identified as being
19 eligible for the program, the neighborhoods or municipalities
20 that have applied for the program, the neighborhoods that have
21 received funds from the program, and the reasons that neighbor-
22 hoods or municipalities have been denied funds from the program.

23 (K) ~~-(j)-~~ A report on the status of federal programs that
24 provide assistance to low income tenants displaced as the result
25 of prepayments of federally and authority assisted loans. If the
26 authority determines that federal programs are inadequate for
27 tenants of authority-financed housing projects, the authority

1 will provide recommendations to the legislature as to how to
2 address this problem on or before May 1, 1989.

3 (1) ~~-(k)-~~ A report on the low income housing tax credit pro-
4 gram under section 22b, which shall include information regarding
5 the amount of tax credits allocated to the state under each of
6 the subdivisions of section 22b(2); the projects that have
7 received tax credits; and the reasons why projects have been
8 denied tax credits under the program; a geographical description
9 of the distribution of those tax credits; and a description of
10 any amendments to the allocation plan made during that year.

11 (M) A REPORT ON EDUCATION AND TRAINING OPPORTUNITIES PRO-
12 VIDED BY THE AUTHORITY UNDER SECTION 17 WHICH WILL INDICATE THE
13 TYPES OF EDUCATION AND TRAINING OPPORTUNITIES MADE AVAILABLE AND
14 THE AMOUNT OF FUNDING COMMITTED TO THESE ACTIVITIES.

15 (17) The authority shall insure that the income characteris-
16 tics of individuals served by an authority program are provided
17 in a manner that insures each individual's confidentiality. The
18 authority shall also insure that proprietary information in its
19 reports under this section concerning an individual, corporation,
20 cooperative, or association is not released without the permis-
21 sion of that individual, corporation, cooperative, or
22 association.

23 Sec. 32a. (1) The ~~-\$1,600,000,000.00-increase-~~
24 \$2,400,000,000.00 INCREASES in debt capacity of the authority
25 authorized after July 9, 1984 shall be subject to the following
26 limitations:

1 (a) Not more than ~~-\$900,000,000.00~~ \$1,300,000,000.00 shall
2 be used to finance home improvement loans and single family
3 homes. With respect to bonds, other than refunding bonds, issued
4 to finance single family homes after November 1, 1989, for the
5 first 120 days following the announcement of a program funded by
6 the proceeds of those bonds, 50% of the proceeds of those bonds
7 available to make loans, as determined by the preliminary infor-
8 mation obtained by originating lenders at the time a reservation
9 is submitted, shall be reserved for applicants with gross annual
10 incomes at or below 55% of the statewide median gross income.
11 With respect to bonds, other than refunding bonds, issued to
12 finance single family homes after November 1, 1989, not more than
13 50% of the proceeds of those bonds may be used to finance single
14 family homes for homebuyers who previously have had an ownership
15 interest in a residence. For purposes of this subsection, a pre-
16 vious ownership interest in a mobile home shall not be considered
17 to be an ownership interest in a residence. The authority may
18 rely on the applicant's affidavit to determine whether or not the
19 applicant has had a prior ownership interest in a residence. The
20 authority shall publicize the programs funded under this subdivi-
21 sion by using all reasonable means available, including, but not
22 limited to, public interest announcements in the media, and
23 announcements to lending institutions, community groups, and real
24 estate organizations. The authority shall submit a report annu-
25 ally to the legislature containing all statistics necessary to
26 indicate its compliance with this subdivision.

1 (b) Not more than ~~\$400,000,000.00~~ \$800,000,000.00 shall be
2 used to finance multifamily housing projects under section 44c
3 and not more than 75% of this amount shall be used for housing
4 projects located in areas other than eligible distressed areas.

5 (c) Not more than \$300,000,000.00 shall be used to finance
6 multifamily housing projects exclusive of multifamily housing
7 projects financed under section 44c and not more than 50% of this
8 amount shall be used for housing projects located in areas other
9 than eligible distressed areas.

10 (2) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (3), A note or bond
11 issued by the authority after July 9, 1984 shall be considered to
12 be issued subject to the limitations of subsection (1). After
13 the limitation set forth in subsection (1)(c) has been reached,
14 the principal amount of a note or bond issued to finance housing
15 described in subsection (1)(c) shall be applied against the debt
16 capacity that was in effect on July 9, 1984. After a limitation
17 set forth in subsection (1)(a) or (b) is reached, the authority
18 shall not issue a note or bond under the provisions of section
19 44c or 44(2)(a).

20 (3) A NOTE OR BOND ISSUED BY THE AUTHORITY UNDER SECTION 25
21 FOR THE PURPOSE OF DEVELOPING, REHABILITATING, OR ACQUIRING REAL
22 AND PERSONAL PROPERTY FOR USE BY THE AUTHORITY AS OFFICE FACILI-
23 TIES SHALL BE APPLIED AGAINST THE DEBT CAPACITY THAT WAS IN
24 EFFECT ON JULY 7, 1984.

25 Sec. 32b. (1) The authority is designated as the adminis-
26 trator of the mortgage credit certificate program for this state
27 permitted under section 25 of the internal revenue code. The

1 authority shall elect under section 25 of the internal revenue
2 code to convert at least \$59,000,000.00 of 1985 federal mortgage
3 revenue bond authority into mortgage credit certificate
4 authority.

5 (2) The authority shall prepare guidelines that would allow
6 for the implementation of a mortgage credit certificate program
7 through mortgage lenders.

8 (3) To qualify for receipt of a mortgage credit certificate
9 with respect to the acquisition of an existing housing unit,
10 including a residential condominium or mobile home, the purchase
11 price with respect to the unit shall not exceed ~~-\$60,000.00-~~ THE
12 LESSER OF \$80,000.00 OR 90% OF THE AVERAGE AREA PURCHASE PRICE
13 FOR EXISTING HOUSING and the borrower's family income shall not
14 exceed the following:

15 (a) If the housing unit is located in an eligible distressed
16 area, ~~-\$42,000.00-~~ \$47,900.00 on or before November 1, ~~1993-~~
17 1995, and ~~-\$36,500.00-~~ \$50,700.00 after that date. ~~Mortgage~~
18 ~~credit certificate commitments issued on or before November 1,~~
19 ~~1993 for persons or families with incomes between \$36,500.00 and~~
20 ~~\$42,000.00 are in compliance with this section even if the clos-~~
21 ~~ing occurs and the mortgage credit certificate is issued after~~
22 ~~November 1, 1993.~~

23 (b) If the housing unit is located in an area other than an
24 eligible distressed area, ~~-\$36,500.00-~~ \$41,700.00 ON OR BEFORE
25 NOVEMBER 1, 1995, AND \$44,200.00 AFTER THAT DATE.

26 (4) To qualify for receipt of a mortgage credit certificate
27 with respect to the acquisition of a new housing unit, including

1 a residential condominium or mobile home, the purchase price with
2 respect to the unit shall not exceed ~~-\$80,000.00-~~ THE LESSER OF
3 \$99,000.00 OR 90% OF THE AVERAGE AREA PURCHASE PRICE FOR NEW
4 HOUSING and the borrower's family income shall not exceed the
5 following:

6 (a) If the housing unit is located in an eligible distressed
7 area, ~~-\$42,000.00-~~ \$47,900.00 on or before November 1, ~~1993-~~
8 1995, and ~~-\$36,500.00-~~ \$50,700.00 after that date. ~~Mortgage~~
9 ~~credit certificate commitments issued on or before November 1,~~
10 ~~1993 for persons or families with incomes between \$36,500.00 and~~
11 ~~\$42,000.00 are in compliance with this section even if the clos-~~
12 ~~ing occurs and the mortgage credit certificate is issued after~~
13 ~~November 1, 1993.-~~

14 (b) If the housing unit is located in an area other than an
15 eligible distressed area, ~~-\$36,500.00-~~ \$41,700.00 ON OR BEFORE
16 NOVEMBER 1, 1995, AND \$44,200.00 AFTER THAT DATE.

17 (5) The authority may increase the purchase price limit in
18 subsection (3) to cover the cost of improvements to adapt the
19 property for use by handicapped individuals. The amount of the
20 increase shall be the amount of the costs described in this sub-
21 section or the sum of \$3,500.00, whichever is less.

22 (6) The authority may increase the purchase price limit in
23 subsection (4) to cover unexpected cost increases during con-
24 struction or the cost of improvements to adapt the property for
25 use by handicapped individuals. The amount of the increase shall
26 be the amount of the costs described in this subsection or the
27 sum of \$3,500.00, whichever is less.

1 (7) To qualify for receipt of a mortgage credit certificate
2 with respect to the improvement or rehabilitation of an existing
3 housing unit, including a residential condominium or mobile home,
4 the borrower's family income shall not exceed the following:

5 (a) If the housing unit is located in an eligible distressed
6 area, ~~-\$42,000.00~~ \$47,900.00 on or before November 1, ~~1993~~
7 1995, and ~~-\$36,500.00~~ \$50,700.00 after that date. ~~Mortgage~~
8 ~~credit certificate commitments issued on or before November 1,~~
9 ~~1993 for persons or families with incomes between \$36,500.00 and~~
10 ~~\$42,000.00 are in compliance with this section even if the clos-~~
11 ~~ing occurs and the mortgage credit certificate is issued after~~
12 ~~November 1, 1993.~~

13 (b) If the housing unit is located in an area other than an
14 eligible distressed area, ~~-\$36,500.00~~ \$41,700.00 ON OR BEFORE
15 NOVEMBER 1, 1995, AND \$44,200.00 AFTER THAT DATE.

16 (8) If an income or purchase price limit prescribed by sub-
17 section (3), (4), (5), (6), or (7) exceeds a limit prescribed by
18 the internal revenue code, the internal revenue code limit
19 applies. Except with respect to newly constructed housing units,
20 until November 1, ~~1993~~ 1997 the authority may at any time by
21 resolution establish, for any length of time it deems appropri-
22 ate, maximum borrower income or purchase price limits more
23 restrictive than those maximum limitations set forth in this
24 section. The authority shall advise the appropriate house and
25 senate standing committees 5 days prior to the adoption of a res-
26 olution establishing more restrictive income or purchase price
27 limits.

1 Sec. 44. (1) (a) The authority may make loans to any
2 nonprofit housing corporation, consumer housing cooperative,
3 limited dividend housing corporation, limited dividend housing
4 association, mobile home park corporation, or mobile home park
5 association or to any public body or agency for the construction
6 or rehabilitation, and for the long-term financing, of the
7 following:

8 (i) Housing for low income or moderate income persons.

9 (ii) For the period of time beginning May 1, 1984, and
10 ending November 1, 1987, housing projects in which not less than
11 20% of the dwelling units are allotted to individuals of low or
12 moderate income within the meaning of former section 103(b)(4)(A)
13 of the internal revenue code; not less than 60% of the dwelling
14 units are available to persons and families whose gross household
15 income does not exceed 125% of the higher of either the median
16 income for a family in this state or the median income for a
17 family within the nonmetropolitan county or metropolitan statis-
18 tical area in which the housing project is located, as determined
19 by the authority; and not more than 20% of the dwelling units are
20 available for occupancy without regard to income. The enactment
21 of this subparagraph or the expiration of the authority granted
22 by it shall not affect rules in effect before July 10, 1984, or
23 promulgated after July 9, 1984, to define low or moderate income
24 persons.

25 (iii) For the period of time beginning May 1, 1984, and
26 ending November 1, 1987, housing projects in eligible distressed
27 areas in which housing projects not less than 20% of the dwelling

1 units are allotted to individuals of low or moderate income
2 within the meaning of former section 103(b)(4)(A) of the internal
3 revenue code; not less than 60% of the dwelling units are avail-
4 able to persons and families whose gross household income does
5 not exceed 150% of the higher of either the median income for a
6 family in this state or the median income for a family within the
7 nonmetropolitan county or metropolitan statistical area in which
8 the housing project is located, as determined by the authority,
9 and not more than 20% of the dwelling units may be made available
10 for occupancy without regard to income.

11 (iv) For the period of time beginning November 1, 1987, and
12 ending November 1, ~~1993~~ 1997, multifamily housing projects that
13 meet the 20-50 test established in section 142 of the internal
14 revenue code and, in addition, in which not less than 15% of the
15 dwelling units are allotted to persons and families whose gross
16 household income does not exceed 125% of the higher of either the
17 median income for a family in this state or the median income for
18 a family within the nonmetropolitan county or metropolitan sta-
19 tistical area in which the housing project is located, as deter-
20 mined by the authority, or to the elderly; not less than 15% of
21 the dwelling units are allotted to persons and families whose
22 gross household income does not exceed 150% of the median income
23 for a family in this state or the median income for a family
24 within the nonmetropolitan county or metropolitan statistical
25 area in which the housing project is located, as determined by
26 the authority, or to the elderly; and not more than 50% of the

1 dwelling units are available for occupancy without regard to
2 income.

3 (v) For the period of time beginning November 1, 1987, and
4 ending November 1, ~~1993~~ 1997, multifamily housing projects in
5 eligible distressed areas that meet the 20-50 test established in
6 section 142 of the internal revenue code and, in addition, in
7 which not more than 80% of the dwelling units are available for
8 occupancy without regard to income.

9 (vi) Social, recreational, commercial, or communal facili-
10 ties necessary to serve and improve the residential area in which
11 an authority-financed housing project is located or is planned to
12 be located thereby enhancing the viability of such housing.

13 (b) Notwithstanding the provisions of this section, the
14 authority may establish by resolution such higher income limits
15 as it considers necessary to achieve sustained occupancy of a
16 housing project financed under subsection (1)(a)(i), (ii), (iii),
17 (iv), or (v) if the authority determines all of the following:

18 (i) The owner of the housing project exercised reasonable
19 efforts to rent the dwelling units to persons and families whose
20 incomes did not exceed the income limitations originally
21 applicable.

22 (ii) For any annual period after the first tenant has occu-
23 pied the housing project, the owner of the housing project has
24 been unable to attain and sustain at least a 95% occupancy level
25 at the housing project.

26 (c) A loan under this section may be in an amount not to
27 exceed 90% of the project cost as approved by the authority. For

1 purposes of this section, the term "project cost" includes all
2 items included in the definition of a project cost in section 11
3 and also includes a builder's fee equal to an amount up to 5% of
4 the amount of the construction contract, developer overhead
5 allowance and fee of 5% of the amount of the project cost, the
6 cost of furnishings, and a sponsor's risk allowance equal to 10%
7 of the project cost. A loan shall not be made under this section
8 unless a market analysis has been conducted which demonstrates a
9 sufficient market exists for the housing project.

10 (d) After November 1, 1987, the authority may continue to
11 finance multifamily housing projects for families or persons
12 whose incomes do not exceed the limits provided in subsection
13 (1) (a) (ii) or (iii), or (1) (b), until funds derived from the pro-
14 ceeds of bonds or notes issued before November 2, 1987, for that
15 purpose, including the proceeds of prepayments or recovery pay-
16 ments with respect to these multifamily housing projects, have
17 been expended. Multifamily housing projects or single family
18 housing units in an eligible distressed area which are financed
19 by proceeds of notes or bonds issued before June 30, 1984, and
20 which the authority has designated for occupancy by persons and
21 families without regard to income pursuant to this act shall
22 remain eligible for occupancy by families and persons without
23 regard to income until the authority's mortgage loan issued with
24 respect to these multifamily housing projects is fully repaid.

25 (e) After November 1, ~~1993~~ 1997, the authority may con-
26 tinue to finance multifamily housing projects for families or
27 persons whose incomes do not exceed the limits provided in

1 subsection (1)(a)(iv) or (v), or (1)(b), until funds derived from
2 the proceeds of bonds or notes issued before November 2, ~~1993~~
3 1997 for that purpose, including the proceeds of refunding notes
4 or bonds or prepayments or recovery payments with respect to
5 these multifamily housing projects, have been expended.

6 (f) Notwithstanding the expiration of lending authority
7 under subsection (1)(a)(ii), (iii), (iv), or (v), multifamily
8 housing projects financed under those subparagraphs may continue
9 to remain eligible for occupancy by persons and families whose
10 incomes do not exceed the limits provided in those subparagraphs
11 or subsection (1)(b).

12 (g) For purposes of this subsection:

13 (i) "Gross household income" means gross income of a house-
14 hold as those terms are defined in rules of the authority.

15 (ii) "Median income for a family in this state" and "median
16 income for a family within the nonmetropolitan county or metro-
17 politan statistical area" mean those income levels as determined
18 by the authority.

19 (2) (a) The authority may make loans to any nonprofit hous-
20 ing corporation, limited dividend housing corporation, mobile
21 home park corporation, or mobile home park association for the
22 construction or rehabilitation of housing units, including resi-
23 dential condominium units as defined in section 4 of the condo-
24 minium act, Act No. 59 of the Public Acts of 1978, being section
25 559.104 of the Michigan Compiled Laws, for sale to individual
26 purchasers of low or moderate income or to individual purchasers
27 without regard to income when the housing units are located in an

1 eligible distressed area. The authority may make or purchase
2 loans to individual purchasers for the long-term financing of a
3 newly rehabilitated, newly constructed, or existing housing unit,
4 including a residential condominium unit as defined in section 4
5 of Act No. 59 of the Public Acts of 1978. For a loan for a newly
6 rehabilitated or newly constructed housing unit, including a res-
7 idential condominium unit, the borrower's family income shall not
8 exceed ~~-\$36,500.00-~~ \$41,700.00 ON OR BEFORE NOVEMBER 1, 1995, AND
9 \$44,200.00 AFTER THAT DATE and the purchase price of the housing
10 unit shall not exceed ~~-\$80,000.00-~~ THE LESSER OF \$99,000.00 OR
11 90% OF THE AVERAGE AREA PURCHASE PRICE FOR NEW HOUSING. For
12 unexpected cost increases during construction or improvements to
13 adapt the property for use by handicapped individuals, the
14 authority may increase the purchase price limit by an amount suf-
15 ficient to cover those cost increases, but not to exceed
16 \$3,500.00. For a loan for an existing housing unit, including a
17 residential condominium unit, the borrower's family income shall
18 not exceed ~~-\$36,500.00-~~ \$41,700.00 ON OR BEFORE NOVEMBER 1, 1995,
19 AND \$44,200.00 AFTER THAT DATE and the purchase price of the
20 housing unit shall not exceed ~~-\$60,000.00-~~ THE LESSER OF
21 \$80,000.00 OR 90% OF THE AVERAGE AREA PURCHASE PRICE FOR EXISTING
22 HOUSING. For costs for improvements to adapt an existing housing
23 unit for use by handicapped individuals, the authority may
24 increase the purchase price limit by an amount sufficient to
25 cover those cost increases, but not to exceed \$3,500.00. If an
26 income or purchase price limit prescribed by this subsection
27 exceeds a limit prescribed by the internal revenue code, the

1 internal revenue code limit applies. Except with respect to
2 newly constructed housing units, until November 1, ~~1993~~ 1997
3 the authority may at any time by resolution establish, for any
4 length of time it considers appropriate, maximum borrower income
5 or purchase price limits more restrictive than those maximum lim-
6 itations set forth in this section. The authority shall advise
7 the appropriate house and senate standing committees 5 days prior
8 to the adoption of a resolution establishing more restrictive
9 maximum borrower income or purchase price limits. Before making
10 any loan under this section, authority staff shall determine that
11 the borrower has the ability to repay the loan. A loan made or
12 purchased to finance the acquisition of an existing housing unit
13 may include funds for rehabilitation. A loan under this section
14 may be in an amount not to exceed 100% of the project cost as
15 approved by the authority in the case of a nonprofit housing cor-
16 poration or individual purchaser, and in an amount not to exceed
17 90% of the project cost as approved by the authority in the case
18 of a limited dividend housing corporation, mobile home park cor-
19 poration, or mobile home park association.

20 (b) While a loan under this subsection is outstanding, any
21 sale by a nonprofit housing corporation or limited dividend hous-
22 ing corporation or any subsequent resale is subject to approval
23 by the authority. The authority shall provide in its rules con-
24 cerning these sales and resales that the price of the housing
25 unit sold, the method of making payments after the sale, the
26 security afforded, and the interest rate, fees, and charges to be
27 paid shall at all times be sufficient to permit the authority to

1 make the payments on its bonds and notes and to meet
2 administrative or other costs of the authority in connection with
3 the transactions. Housing units shall be sold under terms that
4 provide for monthly payments including principal, interest,
5 taxes, and insurance.

6 (c) While a loan under this subsection is outstanding, the
7 authority, before the approval of sale by a nonprofit housing
8 corporation, limited dividend housing corporation, mobile home
9 park corporation, or mobile home park association, shall satisfy
10 itself that the sale is to persons of low or moderate income if
11 the housing unit is not located in an eligible distressed area,
12 or to persons without regard to income if the housing unit is
13 located in an eligible distressed area.

14 (d) Upon the sale by a nonprofit housing corporation,
15 limited dividend housing corporation, mobile home park corpora-
16 tion, or mobile home park association of any housing unit to an
17 individual purchaser of low or moderate income or to an individ-
18 ual purchaser without regard to income if the unit is located in
19 an eligible distressed area under this subsection to whom a loan
20 is being made by the authority, the housing unit shall be
21 released from the mortgage running from the nonprofit housing
22 corporation, limited dividend housing corporation, mobile home
23 park corporation, or mobile home park association to the authori-
24 ty, and the mortgage shall be replaced as to the housing unit by
25 a mortgage running from the individual purchaser to the
26 authority.

1 (e) The authority shall encourage nonprofit housing
2 corporations and limited dividend housing corporations engaged in
3 construction or rehabilitation under this subsection to utilize
4 the labor of prospective individual purchasers of low or moderate
5 income in the construction or rehabilitation of the housing units
6 involved. The value of the labor of the prospective purchasers
7 so utilized shall be used to reduce the project costs of the
8 housing units involved.

9 (f) In the construction of housing units to be sold to the
10 individual purchasers of low or moderate income at a price not to
11 exceed \$12,000.00, the individual purchasers may be required to
12 perform, in a manner and under conditions to be specified by the
13 authority in its rules, a minimum number of hours of labor. The
14 value of the labor shall be credited to the purchase price.

15 (3) A loan shall be secured in a manner and be repaid in a
16 period, not exceeding 50 years, as may be determined by the
17 authority. A loan shall bear interest at a rate determined by
18 the authority.

19 (4) A person who, for purposes of securing a loan under this
20 act, misrepresents his or her income, including taking a leave of
21 absence from his or her employment for purposes of diminishing
22 his or her income, is not to be eligible for a loan under this
23 act.

24 Sec. 44a. (1) The authority may make, purchase, or partici-
25 pate in loans, grants, or deferred payment loans to persons and
26 families of low and moderate income to finance the rehabilitation
27 of residential real property designed for occupancy by not more

1 than 4 families which is owned or is being purchased by 1 or more
2 persons or families of low and moderate income and which is for
3 occupancy by persons or families of low and moderate income.

4 (2) The authority, without regard to the income of the
5 owners or occupants of residential rental property, may make,
6 purchase, or participate in loans, grants, or deferred payment
7 loans for the rehabilitation of residential rental property to
8 persons or entities owning residential rental property located in
9 areas of chronic economic distress and moderate cost residential
10 rental property located elsewhere in this state.

11 (3) A loan under this section may be secured or unsecured as
12 determined by the authority. If the loan is unsecured, it shall
13 be accepted for insurance under title 1 of the national housing
14 act, 12 U.S.C. 1702, 1703, 1705, and 1706b to 1706d, or another
15 federal or private insurance program providing coverage at least
16 equal to that provided by that title, or the authority shall
17 establish a reserve for losses on uninsured loans made under this
18 section and shall deposit into that reserve an amount equal to 5%
19 of the principal amount of each such uninsured loan on or before
20 the making of the loan. Money may be withdrawn by the authority
21 from this reserve for application as loan repayments in connec-
22 tion with loans that are delinquent. In addition, upon repayment
23 of a loan made, purchased, or participated in under this section,
24 the authority may withdraw the amount deposited in the reserve in
25 connection with that loan, reduced by any amounts withdrawn as
26 loan repayments in connection with the loan, and may apply the
27 amounts to any of the authority's programs and purposes. Any

1 income or interest earned by or increment to the reserve due to
2 the investment of the money in the reserve may, at such times as
3 the authority shall determine, be transferred by the authority to
4 other funds or accounts of the authority and applied to any of
5 the corporate purposes of the authority. A loan under this sec-
6 tion shall bear interest at a rate and be repaid in the period,
7 not exceeding 20 years, as may be determined by the authority and
8 under additional terms and conditions as may be determined by the
9 authority.

10 (4) A deferred payment loan or grant may be secured or unse-
11 cured as determined by the authority, and shall be made under
12 additional terms and conditions determined by the authority.

13 (5) In recognition of the need for rehabilitation loans,
14 grants, and deferred payment loans in all geographic areas of the
15 state, the authority shall promulgate rules that provide for the
16 availability of loans, grants, and deferred payment loans on an
17 equitable basis to qualified applicants in all geographic areas
18 of this state. With respect to loans, grants, and deferred pay-
19 ment loans made pursuant to this section that are not based on
20 residency in a neighborhood selected pursuant to section 22a(5),
21 eligibility for loans, grants, or deferred payment loans shall
22 not be based upon the number of qualified applicants in the geo-
23 graphic area in which the individual resides.

24 (6) For purposes of this section, persons and families of
25 low and moderate income means persons and families whose family
26 income does not exceed ~~-\$36,500.00-~~ \$41,700.00 ON OR BEFORE
27 NOVEMBER 1, 1995, AND \$44,200.00 AFTER THAT DATE. Until

1 November 1, ~~1993~~ 1997 the authority may at any time by
 2 resolution establish, for any length of time it considers appro-
 3 priate, maximum family income limits more restrictive than those
 4 maximum limitations set forth in this section. The authority
 5 shall advise the appropriate house and senate standing committees
 6 5 days prior to the adoption of a resolution establishing more
 7 restrictive maximum family income limits.

8 Sec. 49. Every mortgage of real estate held by the author-
 9 ity which contains a power of sale, upon default being made in
 10 any condition of such mortgage, may be foreclosed by advertise-
 11 ment, in the cases and in the manner specified in sections 49a to
 12 ~~49a~~ 49V, including the giving of a notice as described in sec-
 13 tions 49b and 49c.

14 Sec. 49j. (1) If the mortgagor; his or her heirs, execu-
 15 tors, or administrators; or any person lawfully claiming from, or
 16 under the mortgagor or the mortgagor's heirs, executors, or
 17 administrators, ~~shall,~~ REDEEMS THE ENTIRE PREMISES SOLD within
 18 the applicable time limit prescribed in this section ~~—redeem~~
 19 ~~the entire premises sold,~~ by paying to the purchaser; to the
 20 purchaser's executors, administrators, or assigns; or to the reg-
 21 ister of deeds in whose office the deed is deposited for the ben-
 22 efit of the purchaser, the sum which was bid ~~therefor~~ FOR THE
 23 PREMISES, with interest from the time of the sale at the rate
 24 percent, borne by the mortgage, and in case the payment is made
 25 to the register of deeds, the sum of \$5.00 as a fee for the care
 26 and custody of the redemption money, then the deed shall be void
 27 and of no effect. ~~—but in case any~~ IF A distinct lot or parcel

1 separately sold ~~shall be~~ IS redeemed, leaving a portion of the
2 premises unredeemed, then the deed shall be inoperative merely to
3 the parcel or parcels so redeemed, and to those portions not so
4 redeemed shall remain valid and of full effect. ~~In case~~ IF,
5 FOLLOWING THE SALE, the purchaser ~~shall, following the sale, pay~~
6 ~~any sum or sums~~ PAYS A SUM as taxes assessed against the prop-
7 erty or premiums upon ~~any~~ AN insurance policy covering any
8 buildings located ~~thereon~~ ON THE PROPERTY which under the terms
9 of the mortgage it would have been the duty of the mortgagor to
10 have paid, had the mortgage not been foreclosed, and which premi-
11 ums are necessary to keep the policy in force until the expira-
12 tion of the period of redemption, and the purchaser or someone in
13 his or her behalf having knowledge of the facts ~~, shall make~~
14 MAKES an affidavit of the payment showing the amount and items
15 paid, together with the receipt evidencing the payment of the
16 taxes or insurance premiums, as the case may be, together with an
17 affidavit of an insurance agent of the insurance company stating
18 the making of the payment and also what portion of the policy
19 covers the premium for the period prior to the expiration of the
20 period of redemption, ~~all of which~~ THE AFFIDAVITS AND THE
21 RECEIPT shall be filed with the register of deeds with whom the
22 deed is deposited, who shall ~~indorse~~ ENDORSE on the deed the
23 time the affidavits and receipt were received. The register of
24 deeds shall record at length the affidavit of the purchaser only
25 and shall preserve in his or her files the recorded affidavit,
26 together with the tax and insurance receipts and insurance
27 agent's affidavit, until expiration of the period of redemption.

1 ~~Redemption~~ AFTER THE PURCHASER'S AFFIDAVIT IS RECORDED,
2 REDEMPTION shall only be made ~~thereafter~~ upon payment of the
3 sum specified in this subsection plus the amount shown by the
4 affidavits and receipts to have been so paid, with interest
5 ~~thereon~~ ON THE AMOUNT, from the date of the payment to the date
6 of redemption, at the rate specified in the mortgage.

7 (2) In the case of ~~any~~ A mortgage executed on commercial
8 or industrial property, or ~~multi-family~~ MULTIFAMILY residential
9 property in excess of 4 units, the redemption period ~~shall be~~
10 IS 6 months from the time of the sale.

11 (3) In the case of ~~any~~ A mortgage executed on residential
12 property not exceeding 4 units and not more than 3 acres in size,
13 if the amount claimed to be due ~~thereon~~ ON THE MORTGAGE at the
14 date of the notice of foreclosure is more than 66-2/3% of the
15 original indebtedness secured by the mortgage, the redemption
16 period ~~shall be~~ IS 6 months.

17 (4) In the case of ~~any~~ A mortgage on residential property
18 not exceeding 4 units and not more than 3 acres in size, if the
19 property is abandoned AS DETERMINED PURSUANT TO SECTION 49K, the
20 redemption period ~~shall be~~ IS 3 months.

21 (5) In the case of any mortgage on residential property not
22 exceeding 4 units and not more than 3 acres in size, if the
23 amount claimed to be due ~~thereon~~ ON THE MORTGAGE at the date of
24 the notice of foreclosure is more than 66-2/3% of the original
25 indebtedness secured by the mortgage and the property is aban-
26 doned AS DETERMINED PURSUANT TO SECTION 49K, the redemption
27 period ~~shall be~~ IS 1 month.

1 (6) IF THE PROPERTY IS ABANDONED AS DETERMINED PURSUANT TO
2 SECTION 49V, THE REDEMPTION PERIOD IS 30 DAYS.

3 (7) ~~-(6)-~~ In any other case not otherwise described in this
4 section, the redemption period ~~-shall be-~~ IS 1 year from the date
5 of the sale.

6 Sec. 49k. For purposes of sections 49 to 49u, abandonment
7 of premises shall be conclusively presumed upon satisfaction of
8 all of the following requirements:

9 (a) Within 30 days before the commencement of foreclosure
10 proceedings under ~~sections 49 to 49u~~ THIS CHAPTER, the author-
11 ity mails by certified mail, return receipt requested, to the
12 mortgagor's last known address a notice that the subject mortgage
13 is in default and that the authority intends to foreclose it.

14 (b) Before commencement of foreclosure proceedings under
15 ~~sections 49 to 49u~~ THIS CHAPTER, the authority executes and
16 causes to be duly recorded in the county where the premises are
17 located an affidavit ~~-which-~~ THAT states all of the following:

18 (i) That the authority has mailed to the last known address
19 of the mortgagor a notice of default and intention to foreclose
20 pursuant to subdivision (a) and that the mortgagor has not
21 responded to the notice.

22 (ii) That the authority has made a personal inspection of
23 the mortgaged premises and that the inspection does not reveal
24 that the mortgagor or persons claiming under him or her are pres-
25 ently occupying or intend to occupy the premises.

26 (c) The authority mails by certified mail, return receipt
27 requested, a copy of the affidavit recorded pursuant to

1 subdivision (b) to the mortgagor at his or her last known address
2 before commencement of foreclosure proceedings.

3 (d) The mortgagor; his or her heirs, executors, or adminis-
4 trators; or any person lawfully claiming from, or under the mort-
5 gator or the mortgagor's heirs, executors, or administrators,
6 before expiration of the period of redemption, does not give a
7 written affidavit to the authority and record a duplicate origi-
8 nal in the county where the premises are located stating that the
9 mortgagor or person claiming under him or her is occupying or
10 intends to occupy the premises.

11 Sec. 49n. If after any sale of real estate, made as pre-
12 scribed in sections 49 to ~~49u~~, ~~there shall remain in the hands~~
13 ~~of~~ 49V, the officer or other person making the sale ~~—~~ HAS any
14 surplus money after satisfying the mortgage on which the real
15 estate was sold, and payment of the costs and expenses of the
16 foreclosure and sale, the surplus shall be paid over by the offi-
17 cer or other person on demand, to the mortgagor or his or her
18 legal representatives or assigns, unless at the time of the sale,
19 or before the surplus ~~shall be so~~ IS paid over, ~~some~~ A claim-
20 ant or claimants ~~shall~~ file with the person ~~so~~ making the
21 sale, a claim or claims, in writing, duly verified by the oath of
22 the claimant or his or her agent or attorney, that the claimant
23 has a subsequent mortgage or lien encumbering the real estate, or
24 some part ~~thereof~~ OF THE REAL ESTATE, and stating the amount
25 ~~thereof~~ OF THE MORTGAGE OR LIEN unpaid, setting forth the facts
26 and nature of the mortgage or lien, in which case the person ~~so~~
27 making the sale shall ~~forthwith~~ IMMEDIATELY upon receiving the

1 claim ~~—~~ pay the surplus to, and file the written claim with,
 2 the clerk of the circuit court for the county in which the sale
 3 is ~~so~~ made. ~~—, and thereupon any~~ A person ~~or persons~~ inter-
 4 ested in the surplus may apply to the court for an order to take
 5 proofs of the facts and circumstances contained in the claim or
 6 claims ~~so~~ filed. ~~—Thereafter, the~~ THE court shall summon the
 7 claimant or claimants, party, or parties interested in the sur-
 8 plus to appear before the court AT a time and place named by the
 9 court, and attend the taking of the proof, and the claimant or
 10 claimants or party interested who ~~shall~~ appear may examine wit-
 11 nesses and produce such proof as they ~~or either of them may~~ see
 12 fit. ~~—, and the~~ THE court shall ~~thereupon~~ make an order ~~in~~
 13 ~~the premises~~ directing the disposition of the surplus ~~moneys~~
 14 MONEY or payment ~~thereof~~ OF THE SURPLUS MONEY in accordance
 15 with the rights of the claimant or claimants or persons
 16 interested.

17 Sec. 490. (1) ~~Any~~ A party desiring to perpetuate the evi-
 18 dence of ~~any~~ A sale made pursuant to sections 49 to ~~49u~~ 49V,
 19 may procure 1 or more of the following:

20 (a) An affidavit of the publication of the notice of sale,
 21 and of any notice of postponement, to be made by the publisher of
 22 the newspaper in which the notice was inserted, or by ~~some~~ A
 23 person in the employ of the publisher of the newspaper knowing
 24 the facts.

25 (b) An affidavit of the fact of ~~any~~ A sale pursuant to
 26 such notice, to be made by the person who acted as auctioneer at

1 the sale, stating the time and place at which the sale took
2 place, the sum bid, and the name of the purchaser.

3 (c) An affidavit setting forth the time, manner, and place
4 of posting a copy of such notice of sale to be made by the person
5 posting the copy of the notice.

6 (2) Where any or all of ~~such~~ THE affidavits DESCRIBED IN
7 SUBSECTION (1) are endorsed upon or annexed to 1 instrument, a
8 single copy of the notice of sale, and a single copy of any
9 notice of postponement, ~~shall be~~ IS sufficient to annex to
10 ~~such~~ THE instrument, and reference made in any of ~~such~~ THE
11 affidavits to the copy of notice of sale and to the copy of any
12 notice of postponement of sale as annexed or attached shall be
13 ~~deemed~~ CONSIDERED to refer to ~~such~~ THE single copy of notice
14 of sale and to ~~such~~ THE single copy of any notice of
15 postponement.

16 Sec. 49t. Incident to the foreclosure of a mortgage pursu-
17 ant to sections 49 to ~~49u~~ 49V, the authority or its agents or
18 assigns ~~shall have a right to~~ MAY enter ~~upon~~ the mortgaged
19 premises for the purpose of posting or serving the notices
20 required by sections 49 to ~~49u~~ 49V.

21 Sec. 49u. ~~When~~ IF, in the foreclosure of a mortgage by
22 advertisement under this section and sections 49 to ~~49t, any~~
23 49V, A sale of real property has been made or ~~shall be~~
24 ~~hereafter~~ IS made by the authority, at which the authority has
25 become or becomes the purchaser, or takes or has taken title
26 ~~thereto~~ TO THE REAL PROPERTY at ~~such~~ THE sale either directly
27 or indirectly, and ~~thereafter~~ the authority ~~shall sue~~ SUES

1 for and ~~undertake~~ UNDERTAKES to recover a deficiency judgment
 2 against the mortgagor ~~—~~ or other maker of ~~any such~~ THE obli-
 3 gation ~~—~~ or any other person liable ~~thereon~~ ON THE
 4 OBLIGATION, ~~it shall be competent and lawful for~~ the defendant
 5 against whom such deficiency judgment is sought ~~to~~ MAY allege
 6 and show, as A matter of defense and set-off to the extent only
 7 of the amount of the authority's claim, that the property sold
 8 was fairly worth the amount of the debt secured by it at the time
 9 and place of sale or that the amount bid was substantially less
 10 than its true value. ~~—, and such~~ THE showing ~~shall constitute~~
 11 CONSTITUTES a defense to ~~such~~ THE action and ~~shall defeat~~
 12 DEFEATS the deficiency judgment against the defendant, either in
 13 whole or in part to ~~such~~ THAT extent. This section ~~shall~~
 14 DOES not affect nor apply to the rights of other purchasers or of
 15 innocent third parties, nor shall it be held to affect or defeat
 16 the negotiability of any note, or other obligation secured by
 17 such mortgage or other instrument. ~~Such~~ THE proceedings
 18 ~~shall~~ DESCRIBED IN THIS SECTION in no way affect the title of
 19 the purchaser to the lands acquired by such purchase. This sec-
 20 tion ~~shall~~ DOES not apply to foreclosure sales made pursuant to
 21 an order or decree of court nor to any judgment sought or
 22 rendered in any foreclosure suit nor to any chancery sale
 23 ~~heretofore or hereafter~~ made and confirmed.

24 SEC. 49V. (1) FOR PURPOSES OF THIS CHAPTER, IF FORECLOSURE
 25 PROCEEDINGS HAVE BEEN COMMENCED UNDER THIS CHAPTER AGAINST RESI-
 26 DENTIAL PROPERTY NOT EXCEEDING 4 UNITS AND NOT MORE THAN 3 ACRES

1 IN SIZE, ABANDONMENT OF PREMISES SHALL BE CONCLUSIVELY PRESUMED
2 UPON SATISFACTION OF ALL OF THE FOLLOWING REQUIREMENTS:

3 (A) THE MORTGAGEE HAS MADE A PERSONAL INSPECTION OF THE
4 MORTGAGED PREMISES AND THE INSPECTION DOES NOT REVEAL THAT THE
5 MORTGAGOR OR PERSONS CLAIMING UNDER THE MORTGAGOR ARE PRESENTLY
6 OCCUPYING OR WILL OCCUPY THE PREMISES.

7 (B) THE MORTGAGEE HAS POSTED A NOTICE AT THE TIME OF MAKING
8 THE PERSONAL INSPECTION AND HAS MAILED BY CERTIFIED MAIL, RETURN
9 RECEIPT REQUESTED, A NOTICE TO THE MORTGAGOR AT THE MORTGAGOR'S
10 LAST KNOWN ADDRESS, WHICH NOTICES STATE THAT THE MORTGAGEE CON-
11 SIDERS THE PREMISES ABANDONED AND THAT THE MORTGAGOR WILL LOSE
12 ALL RIGHTS OF OWNERSHIP 30 DAYS AFTER THE FORECLOSURE SALE UNLESS
13 THE MORTGAGOR; THE MORTGAGOR'S HEIRS, EXECUTOR, OR ADMINISTRATOR;
14 OR A PERSON LAWFULLY CLAIMING FROM OR UNDER 1 OF THEM PROVIDES
15 THE NOTICE DESCRIBED IN SUBDIVISION (C).

16 (C) WITHIN 15 DAYS AFTER RECEIPT OF A NOTICE REQUIRED BY
17 SUBDIVISION (B), THE MORTGAGOR; THE MORTGAGOR'S HEIRS, EXECUTOR,
18 OR ADMINISTRATOR; OR A PERSON LAWFULLY CLAIMING FROM OR UNDER 1
19 OF THEM DOES NOT GIVE WRITTEN NOTICE BY FIRST-CLASS MAIL TO THE
20 MORTGAGEE AT AN ADDRESS PROVIDED BY THE MORTGAGEE IN THE NOTICES
21 REQUIRED BY SUBDIVISION (B) STATING THAT THE PREMISES ARE NOT
22 ABANDONED.

23 (2) THIS SECTION APPLIES TO A FORECLOSURE PROCEEDING FILED
24 OR PENDING AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
25 ADDED THIS SECTION.