

***Financial Institutions &  
Insurance Committee***

***HB 1819***

***Brief Description:*** *Creating a housing finance program.*

***Sponsors:*** *Representatives Kirby, Dunn, O'Brien, Wood, Jarrett, Dickerson and Conway.*

***Brief Summary of Bill***

- *The Housing Finance Commission must work with the State Investment Board to establish a housing program that provides mortgage financing assistance to teachers.*

***Hearing Date:*** *2/20/01*

***Staff:*** *Charlie Gavigan (786-7340).*

***Background:***

*The Washington State Housing Finance Commission was created in 1983, with the goal to stimulate the production of affordable single and multifamily housing, and special needs housing. The commission accomplishes this through the (1) issuance of tax-exempt private activity and nonprofit revenue bonds, and taxable revenue bonds; (2) administration of the federal Low-Income Housing Tax Credit Program; and (3) administration of other programs authorized under federal and state law.*

*When the commission was established, the Legislature imposed several requirements that included the creation of a general plan of housing finance objectives, that required periodic updates, and the adoption of certain rules of procedure. Currently, the total amount of the commission's statutory outstanding debt may not exceed \$3 billion at any time.*

***Summary of Bill:***

*The Housing Finance Commission (HFC), in cooperation with the State Investment Board, must develop and implement a housing finance program that provides mortgage financing*

*assistance for single-family ownership, requests the State Investment Board to make investments in mortgage-backed securities that are collateralized by loans made in Washington State, and provides flexible underwriting guidelines. This housing finance program is for teachers with incomes at or below 115 percent of the higher of the state or county family median income who are first-time home buyers. The HFC can provide down payment or closing cost assistance to any household eligible for any of the HFC programs. The HFC, in consultation with the Teachers Retirement System, is to notify teachers of the mortgage finance assistance under this program. The annual report to the Legislature by the HFC is to include a report on the housing finance program created in this act. The program is to be in place by September 1, 2001.*

*The State Investment Board is authorized to invest in subsidized and unsubsidized loans made to teachers that are secured by secondary market mortgage-backed securities.*

***Appropriation:*** None.

***Fiscal Note:*** Requested on February 15, 2001.

***Effective Date:*** Ninety days after adjournment of session in which bill is passed.