
HOUSE BILL 2725

State of Washington

57th Legislature

2002 Regular Session

By Representatives Upthegrove, Ericksen, O'Brien, McDermott, Edwards, Ogden, Chase, Haigh, Schual-Berke and Wood

Read first time 01/25/2002. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to housing finance; amending RCW 43.180.240 and
2 43.33A.080; and adding a new section to chapter 43.180 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.180 RCW
5 to read as follows:

6 (1) The commission, in cooperation with the state investment board,
7 shall develop and implement a housing finance program that:

8 (a) Provides subsidized or unsubsidized mortgage financing for
9 single-family home ownership, including a single condominium unit,
10 located in the state of Washington;

11 (b) Requests the state investment board to make investments, within
12 its policies and investment guidelines, in mortgage-backed securities
13 that are collateralized by loans made within the state of Washington;
14 and

15 (c) Provides flexible loan underwriting guidelines, including, but
16 not limited to, provisions that will allow reduced down payment
17 requirements for the purchaser.

18 (2) The housing finance program developed under subsection (1) of
19 this section shall:

1 (a) Be limited to active participants of the Washington state
2 teachers' retirement system under chapter 41.32 RCW;

3 (b) Be limited to borrowers with incomes that do not exceed one
4 hundred fifteen percent of the state or county median family income,
5 whichever is higher, adjusted for family size; and

6 (c) Be limited to first-time home buyers as defined in RCW
7 43.185A.010.

8 (3) The commission, to the extent funds are available, may provide
9 either down payment or closing costs assistance to households eligible
10 for assistance under this chapter.

11 (4) The commission, in cooperation with the department of
12 retirement systems, shall notify active participants of the Washington
13 state teachers' retirement system of the availability of mortgage
14 financing through this section.

15 (5) This section may be known and cited as the Washington state
16 teachers' mortgage loan program.

17 **Sec. 2.** RCW 43.180.240 and 1994 c 235 s 3 are each amended to read
18 as follows:

19 (1) The commission shall submit to the legislature in its annual
20 report a summary of the progress of the housing finance programs
21 developed under RCW 43.180.220 and section 1 of this act. The report
22 shall include, but not be limited to the number of loans made and
23 location of property financed under RCW 43.180.220 and ~~((43.180.230))~~
24 section 1 of this act.

25 (2) The commission shall take such steps as are necessary to ensure
26 that RCW 43.180.220 and 43.180.230 are implemented on June 9, 1994.

27 (3) The commission shall take such steps as are necessary to ensure
28 that section 1 of this act is implemented by September 1, 2002.

29 **Sec. 3.** RCW 43.33A.080 and 1987 c 29 s 2 are each amended to read
30 as follows:

31 The state investment board may invest those funds which are not
32 under constitutional prohibition in: (1) Farm ownership and soil and
33 water conservation loans fully guaranteed as to principal and interest
34 under the Bankhead-Jones farm tenant act administered by the United
35 States department of agriculture; and (2) ~~((the Washington land bank~~
36 established by chapter 31.30 RCW)) mortgage loans made under section 1
37 of this act that are secured by residential mortgage-backed securities

1 administered by the federal national mortgage association, the
2 government national mortgage association, the federal home loan
3 mortgage corporation, or a private mortgage-backed securities
4 corporation.

5 NEW SECTION. **Sec. 4.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

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