
SUBSTITUTE SENATE BILL 5137

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions
(originally sponsored by Senators Fairley, McAuliffe, Kohl-Welles,
Kastama, Rasmussen, Haugen, Gardner, Patterson, Kline, Shin, Regala,
Costa and Winsley)

READ FIRST TIME 02/21/01.

1 AN ACT Relating to a low-income home ownership loan program;
2 and adding new sections to chapter 43.185A 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 43.185A
5 RCW to read as follows:

6 (1) To the extent that funds are available, the department
7 shall establish a low-income home ownership loan program for
8 families: (a) For which one or more members have received services
9 authorized under chapter 74.12 RCW, temporary assistance for needy
10 families; (b) whose adjusted income is less than two hundred
11 percent of the federal poverty guidelines; and (c) that include
12 one or more children under eighteen years of age. The department
13 will capitalize revolving loan funds through grants to eligible
14 public and nonprofit organizations which demonstrate capacity to
15 administer a low-income home ownership loan program. The
16 organizations will be responsible for lending funds to families,
17 collecting repayments, and depositing repayments into the
18 revolving fund. These repayments will be used to assist additional

1 families. The organizations shall make loans without interest or at
2 a rate that is below the market interest rate. The loans shall be
3 awarded on the basis of the family's need, the family's ability to
4 repay the loan, and the willingness of the family to meet minimum
5 requirements to participate in the construction of their home or
6 the homes of other participating families. The department shall
7 seek to achieve a geographic distribution of loans that is
8 proportional to the state's distribution of eligible families.

9 (2) The department may contract with public and nonprofit
10 organizations for the administration of the low-income home
11 ownership loan program and supervision of the minimum
12 participation requirements.

13 (3) The department shall adopt rules providing for the
14 administration of the low-income home ownership loan program,
15 including eligibility, application, and repayment provisions and
16 establishing minimum requirements for participation in the home
17 construction.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.185A
19 RCW to read as follows:

20 The low-income home ownership loan account is created in the
21 custody of the state treasurer. Expenditures from the account may
22 be used only for the purposes of the low-income home ownership
23 loan program established under section 1 of this act. Only the
24 director of community, trade, and economic development or the
25 director's designee may authorize expenditures from the
26 account. The account is subject to the allotment procedures under
27 chapter 43.88 RCW, but an appropriation is not required for
28 expenditures.

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