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**SENATE BILL 5137**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** Senators Fairley, McAuliffe, Kohl-Welles, Kastama, Rasmussen, Haugen, Gardner, Patterson, Kline, Shin, Regala, Costa and Winsley

Read first time 01/12/2001. Referred to Committee on Labor, Commerce & Financial Institutions.

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. Loans shall be  
13 made from moneys in the low-income home ownership loan account and  
14 all proceeds from the repayment of loans shall be deposited in the  
15 low-income home ownership account. The loans shall be made without  
16 interest or at a rate that is below the market interest rate. The  
17 loans shall be awarded on the basis of the family's need, the  
18 family's ability to repay the loan, and the willingness of the

1 family to meet minimum requirements to participate in the  
2 construction of their home or the homes of other participating  
3 families. The department shall seek to achieve a geographic  
4 distribution of loans that is proportional to the state's  
5 distribution of eligible families.

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

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

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

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

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