

Sec. 6. Chapter 220, Code 1981, is amended by adding the following new section:

NEW SECTION. INCONSISTENT PROVISIONS. This chapter takes precedence over any conflicting provisions contained in section 535.8, subsection 2, with respect to the use or enforcement of a due-on-sale or similar clause in a mortgage loan agreement, and takes precedence over any conflicting provisions contained in laws enacted after the effective date of this Act with respect to the use or enforcement of a due-on-sale or similar clause in a mortgage loan agreement unless those laws expressly provide that they take precedence over this chapter.

Sec. 7. Chapter 220, Code 1981, is amended by adding the following new section:

NEW SECTION. The authority shall be the agency of this state to designate "areas of economic distress" for purposes of section 103A(k)(3)(A)(i) of the United States Internal Revenue Code of 1954, as amended.

Sec. 8. Section 537.1301, subsection 14, paragraph b, Code 1981, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. A loan financed by the Iowa housing finance authority and secured by a lien on land.

Approved May 18, 1981

CHAPTER 77
IOWA HOUSING FINANCE AUTHORITY
S. F. 355

AN ACT requiring the Iowa housing finance authority to expend at least fifty percent of proceeds from bond sales for the construction of new housing.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Chapter 220, Code 1981, is amended by adding the following new section:

NEW SECTION. NEW CONSTRUCTION REQUIREMENT. The authority shall insure that fifty percent or more of the proceeds from sales of obligations of the authority in each three-year period beginning July 1, 1981, are newly constructed housing units. Failure to comply with this requirement does not invalidate any bonds, notes, or other obligations of the authority, but in the event of noncompliance with this requirement the authority shall make a special report to the governor and to the general assembly as to the reasons for noncompliance, and the authority shall not commit further funds for housing units that do not help meet this requirement until this requirement is reached, other than to complete projects already started.

Approved May 8, 1981