

16.232 Program funding — bonds and notes.

1. The authority shall cooperate with the department in the creation, administration, and financing of the program.

2. The authority may issue bonds and notes for the purpose of funding the fund and the state matching funds required pursuant to the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288, as amended, 42 U.S.C. §5121 et seq. The authority may enter into one or more loan agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of, and the security for, each bond or note. The authority and each bondholder or noteholder, or a trustee agent designated by the authority, may enter into an agreement to provide for any of the following:

a. That the proceeds of the bond or note and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

b. That the bondholder or noteholder, or a trustee or agent designated by the authority, may collect, invest, and apply the amount payable under the loan agreement or any other instruments securing the debt obligations under the loan agreement.

c. That the bondholder or noteholder may enforce the remedies provided in the loan agreement or other instruments on the bondholder's or noteholder's behalf without the appointment or designation of a trustee. If there is a default in the principal of, or interest on, the bond or note or in the performance of any agreement contained in the loan agreement or other instrument, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

d. Other terms and conditions as deemed necessary or appropriate by the authority.

3. [Chapter 16](#), except to the extent inconsistent with [this section](#), shall apply to bonds or notes issued, and powers granted to the authority, under [this section](#). [Section 16.28, subsection 4](#), shall not apply to [this section](#).

4. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax.

[2025 Acts, ch 28, §3](#)

Referred to in [§422.7\(2\)\(u\)](#)

NEW section