

# IOWA FINANCE AUTHORITY

## Footnotes

Duties with respect to Iowa advance funding authority; see § 257C.7

This chapter not enacted as a part of this title; transferred from chapter 220 in Code 1993

See § 218.95 for provisions pertaining to construction of synonymous terms

Employees of the department of elder affairs performing functions related to affordable assisted living as of June 30, 2003, shall become employees of the Iowa finance authority without loss of classification, pay, or benefits, effective July 1, 2003; 2003 Acts, ch 166, § 29

## 16.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. When used in the context of an assumption of a loan, "*assume*" or "*assumed*" means any type of transaction involving the sale or transfer of an ownership interest in real estate financed by the authority, whether the conveyance involves a transfer by deed or real estate contract or some other device.
2. "*Authority*" means the Iowa finance authority established in section 16.2.
3. "*Bond*" means a bond issued by the authority pursuant to sections 16.26 to 16.30.
4. "*Child foster care facilities*" means the same as defined in section 237.1.
5. "*Cost*" as applied to Iowa small business loan program projects means the cost of acquisition, construction, or both including the cost of acquisition of all land, rights-of-way, property rights, easements, franchise rights, and interests required for acquisition, construction, or both. It also means the cost of demolishing or removing structures on acquired land, the cost of access roads to private property, including the cost of land or easements, and the cost of all machinery, furnishings, and equipment, financing charges, and interest prior to and during construction and for no more than eighteen months after completion of construction. Cost also means the cost of engineering, legal expenses, plans, specifications, surveys, estimates of cost and revenues, as well as other expenses incidental to determining the feasibility or practicability of acquiring or constructing a project. It also means other expenses incidental to the acquisition or construction of the project, the financing of the acquisition or construction, including the amount authorized in the resolution of the authority providing for the issuance of bonds, to be paid into any special funds from the proceeds of the bonds, and the financing of the placing of a project in operation.
6. "*Dilapidated*" means decayed, deteriorated, or fallen into partial disuse through neglect or misuse.
7. Reserved.
8. "*Displaced*" means displaced by governmental action, or by having one's dwelling extensively damaged or destroyed as a result of a disaster.
9. "*Division*" means the title guaranty division.
10. "*Elderly families*" means families of low or moderate income where the head of the household or the

head's spouse is at least sixty-two years of age or older, or the surviving member of any such tenant family.

11. *"Export business"* means a profit or nonprofit business, including but not limited to, an individual, partnership, corporation, joint venture, association, or cooperative that does international exporting from the state where at least twenty-five percent of the value of the international exports is derived from goods or services whose final production process occurs in the state.

12. *"Export business finance program"* means the program established under sections 16.121 to 16.125.

13. a. *"Families"* includes but is not limited to families consisting of a single adult person who is primarily responsible for the person's own support, is at least sixty-two years of age, is a person with a disability, is displaced, or is the remaining member of a tenant family.

b. *"Families"* includes but is not limited to two or more persons living together who are at least sixty-two years of age, are persons with disabilities, or one or more such individuals living with another person who is essential to such individual's care or well-being.

14. Reserved.

15. *"Health care facilities"* means those facilities referred to in section 135C.1, subsection 6, which contain fifteen beds or less.

16. a. *"Housing"* means single family and multifamily dwellings, and facilities incidental or appurtenant to the dwellings, and includes group homes of fifteen beds or less licensed as health care facilities or child foster care facilities and modular or mobile homes which are permanently affixed to a foundation and are assessed as realty.

b. *"Adequate housing"* means housing which meets minimum structural, heating, lighting, ventilation, sanitary, occupancy, and maintenance standards compatible with applicable building and housing codes, as determined under rules of the authority.

17. *"Housing program"* means any work or undertaking of new construction or rehabilitation of one or more housing units, or the acquisition of existing residential structures, for the provision of housing, which is financed pursuant to the provisions of this chapter for the primary purpose of providing housing for low or moderate income families. A housing program may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing low or moderate income families is a primary goal. A housing program may include any buildings, land, equipment, facilities, or other real or personal property which is necessary or convenient in connection with the provision of housing, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, and commercial facilities, as the authority determines to be necessary or convenient in relation to the purposes of this chapter.

18. *"Housing sponsor"* means any individual, joint venture, partnership, limited partnership, trust, corporation, housing cooperative, local public entity, governmental unit, or other legal entity, or any combination thereof, approved by the authority or pursuant to standards adopted by the authority as qualified to either own, construct, acquire, rehabilitate, operate, manage, or maintain a housing program, whether for profit, nonprofit or limited profit, subject to the regulatory powers of the authority and other terms and conditions set forth in this chapter.

19. *"Income"* means income from all sources of each member of the household, with appropriate exceptions and exemptions reasonably related to an equitable determination of the family's available income, as established by rule of the authority.

20. *"International exports"* means goods or services transported or sent from the United States to a foreign country.
21. *"Iowa small business loan program"* or *"loan program"* means the program for lending moneys to small business established under sections 16.61 to 16.65.
22. *"Lower income families"* means families whose incomes do not exceed eighty percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area, and includes, but is not limited to, very low income families.
23. *"Low income housing credit"* means the low income housing credit as defined in Internal Revenue Code § 42(a).
24. *"Low or moderate income families"* means families who cannot afford to pay enough to cause private enterprise in their locality to build an adequate supply of decent, safe, and sanitary dwellings for their use, and also includes, but is not limited to, (1) elderly families, families in which one or more persons are persons with disabilities, lower income families and very low income families, and (2) families purchasing or renting qualified residential housing.
25. *"Mortgage"* means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions acceptable to the authority, on a fee interest in real property which includes completed housing located within this state, or on a leasehold on such a fee interest which has a remaining term at the time of computation that exceeds by not less than ten years the maturity date of the mortgage loan.
26. *"Mortgage-backed security"* means a security issued by the authority which is secured by residential mortgage loans owned by the authority.
27. *"Mortgage lender"* means any bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any governmental agency, or any other financial institution authorized to make mortgage loans in this state and includes a financial institution as defined in section 496B.2, subsection 2, which lends moneys for industrial or business purposes.
28. *"Mortgage loan"* means a financial obligation secured by a mortgage.
29. *"Note"* means a bond anticipation note or a housing development fund note issued by the authority pursuant to this chapter.
- 29A. *"Person with a disability"* means a person who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment, or a person having a physical or mental impairment which is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of a nature that the ability to live independently could be improved by more suitable housing conditions.
30. *"Project"* means real or personal property connected with a facility to be acquired, constructed, improved, or equipped, with the aid of the Iowa small business loan program as provided in sections 16.61 to 16.65. However, for purposes of sections 16.101 through 16.106, *"project"* means as defined in section 16.102.
31. *"Property improvement loan"* means a financial obligation secured by collateral acceptable to the authority, the proceeds of which shall be used for improvement or rehabilitation of housing which is deemed by the authority to be substandard in its protective coatings or its structural, plumbing, heating, cooling, or electrical systems; and regardless of the condition of the property the term *"property improvement loan"* may include loans to increase the energy efficiency of housing or to finance solar or other renewable energy systems for use in that housing.

32. *"Qualified residential housing"* means any of the following:

- a. Owner-occupied residences purchased in a manner which satisfies the requirements contained in section 103A of the Internal Revenue Code in order to be financed with tax exempt mortgage subsidy bonds.
- b. Residential property qualifying pursuant to section 103(b)(4) of the Internal Revenue Code to be financed with tax exempt residential rental property bonds.
- c. Housing for low or moderate income families, elderly families, and families which include one or more persons with disabilities.

33. *"Residential mortgage interest reduction program"* means the program for buying-down interest rates on residential mortgage loans pursuant to sections 16.81 through 16.84.

34. *"Residential mortgage loan"* means a financial obligation secured by a mortgage on a single-family or two-family home.

35. *"Residential mortgage marketing program"* means the program for buying and selling residential mortgage loans and the selling of mortgage-backed securities pursuant to sections 16.71 through 16.73.

36. *"Small business"* means a profit or nonprofit business, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, to which the following apply:

- a. It is not an affiliate or subsidiary of a business dominant in its field of operation.
- b. It has either twenty or fewer full-time equivalent positions or not more than the equivalent of three million dollars in annual gross revenues as computed, for the preceding fiscal year or as the average of the three preceding fiscal years.
- c. It does not involve the operation of a farm and does not involve the practice of a profession.

*"Small business"* includes an employee-owned business which has been an employee-owned business for less than three years or which meets the conditions of paragraphs "a" through "c".

For purposes of this definition *"dominant in its field of operation"* means having more than twenty full-time equivalent positions and more than three million dollars in annual gross revenues, and *"affiliate or subsidiary of a business dominant in its field of operation"* means a business which is at least twenty percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

The authority may, by resolution, waive any or all of the requirements of paragraph "b" in connection with a loan to a small business, as defined under applicable federal law and regulations that have been enacted or adopted by April 1, 1983, in which federal assistance, insurance, or guaranties are sought.

37. *"State agency"* means any board, commission, department, public officer, or other agency of the state of Iowa.

38. *"State housing credit ceiling"* means the state housing credit ceiling as defined in Internal Revenue Code § 42(h)(3)(C).

39. *"Title guaranty"* means a guaranty against loss or damage caused by defective title to real property.

40. *"Very low income families"* means families whose incomes do not exceed fifty percent of the median

income for the area, with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

The authority shall establish by rule further definitions applicable to this chapter, and clarification of the definitions in this section, as necessary to assure eligibility for funds available under federal housing laws, or to assure compliance with federal tax laws relating to the issuance of tax exempt mortgage subsidy bonds pursuant to Internal Revenue Code § 103A, or relating to the issuance of tax exempt residential rental property bonds for qualified residential housing under Internal Revenue Code § 103, or relating to the allowance of low income credits under Internal Revenue Code § 42.

[C77, 79, 81, § 16.1; 81 Acts, ch 76, § 1; 82 Acts, ch 1173, § 1, 2, ch 1187, § 13]

83 Acts, ch 124, § 1, 2; 84 Acts, ch 1281, § 15; 85 Acts, ch 225, § 1; 85 Acts, ch 252, § 24, 25; 86 Acts, ch 1212, § 1; 86 Acts, ch 1245, § 840; 87 Acts, ch 125, § 1, 2; 87 Acts, ch 141, § 1

C93, § 16.1

96 Acts, ch 1129, § 58

## **16.2 Establishment of authority title guaranty division.**

1. The Iowa finance authority is established, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions, to undertake programs which assist in attainment of adequate housing for low or moderate income families, elderly families, and families which include one or more persons with disabilities, and to undertake the Iowa homesteading program, the small business loan program, the export business finance program, and other finance programs. The powers of the authority are vested in and shall be exercised by a board of nine members appointed by the governor subject to confirmation by the senate. No more than five members shall belong to the same political party. As far as possible the governor shall include within the membership persons who represent community and housing development industries, housing finance industries, the real estate sales industry, elderly families, minorities, lower income families, very low income families, families which include persons with disabilities, average taxpayers, local government, business and international trade interests, and any other person specially interested in community housing, finance, small business, or export business development.

A title guaranty division is created within the authority. The powers of the division relating to the issuance of title guaranties are vested in and shall be exercised by a division board of five members appointed by the governor subject to confirmation by the senate. The membership of the board shall include an attorney, an abstractor, a real estate broker, a representative of a mortgage-lender, and a representative of the housing development industry. The executive director of the authority shall appoint an attorney as director of the title guaranty division who shall serve as an ex officio member of the board. The appointment of and compensation for the division director are exempt from the merit system provisions of chapter 8A, subchapter IV.

*a.* Members of the board of the division shall be appointed by the governor for staggered terms of six years beginning and ending as provided in section 69.19. A person shall not serve on the division board while serving on the authority board. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. A member of the division board may be removed from office by the governor for misfeasance, malfeasance or willful neglect of duty or for other just cause, after notice and hearing, unless notice and hearing is expressly waived in writing.

*b.* Three members of the board shall constitute a quorum. An affirmative vote of a majority of the appointed members is necessary for any substantive action taken by the division.

c. Members of the board are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

d. Members of the board and the director shall give bond as required for public officers in chapter 64.

e. Meetings of the board shall be held at the call of the chair of the board or on written request of two members.

f. Members shall elect a chair and vice chair annually and other officers as they determine. The director shall serve as secretary to the board.

g. The net earnings of the division, beyond that necessary for reserves, backing, guaranties issued or to otherwise implement the public purposes and programs authorized, shall not inure to the benefit of any person other than the state and are subject to subsection 8.

2. Members of the authority shall be appointed by the governor for staggered terms of six years beginning and ending as provided in section 69.19. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. A member of the authority may be removed from office by the governor for misfeasance, malfeasance or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing.

3. Five members of the authority constitute a quorum and the affirmative vote of a majority of the appointed members is necessary for any substantive action taken by the authority. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

4. Members of the authority are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. Members of the authority and the executive director shall give bond as required for public officers in chapter 64.

6. Meetings of the authority shall be held at the call of the chairperson or whenever two members so request.

7. Members shall elect a chairperson and vice chairperson annually, and other officers as they determine, but the executive director shall serve as secretary to the authority.

8. The net earnings of the authority, beyond that necessary for retirement of its notes, bonds or other obligations, or to implement the public purposes and programs herein authorized, shall not inure to the benefit of any person other than the state. Upon termination of the existence of the authority, title to all property owned by the authority, including any such net earnings of the authority, shall vest in the state. The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs or activities of the authority, including the power to terminate the authority, except that no law shall ever be passed impairing the obligation of any contract or contracts entered into by the authority to the extent that any such law would contravene Article I, section 21 of the Constitution of the state of Iowa or Article I, section 10 of the Constitution of the United States.

[C77, 79, 81, § 220.2; 81 Acts, ch 76, § 2]

84 Acts, ch 1281, § 6; 85 Acts, ch 252, §26; 87 Acts, ch 141, § 2; 88 Acts, ch 1158, § 49; 90 Acts, ch 1256, §

37, 38

C93, § 16.2

96 Acts, ch 1129, §9; 2003 Acts, ch 145, §139

## **Footnotes**

Confirmation, see § 2.32

### **16.3 Legislative findings.**

The general assembly finds and declares as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare, and for the promotion of the economy, which are public purposes.
2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.
3. There exists a serious shortage of safe and sanitary residential housing available to low or moderate income families.
4. This shortage is conducive to disease, crime, environmental decline and poverty and impairs the economic value of large areas, which are characterized by depreciated values, impaired investments, and reduced capacity to pay taxes and are a menace to the health, safety, morals and welfare of the citizens of the state.
5. These conditions result in a loss in population and further deterioration, accompanied by added costs to communities for creation of new public facilities and services elsewhere.
6. One major cause of this condition has been recurrent shortages of funds in private channels.
7. These shortages have contributed to reductions in construction of new residential units, and have made the sale and purchase of existing residential units a virtual impossibility in many parts of the state.
8. The ordinary operations of private enterprise have not in the past corrected these conditions.
9. A stable supply of adequate funds for residential financing is required to encourage new housing and the rehabilitation of existing housing in an orderly and sustained manner and to reduce the problems described in this section.
10. It is necessary to create a state finance authority to encourage the investment of private capital and stimulate the construction and rehabilitation of adequate housing through the use of public financing.
11. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned or granted.
12. The interest costs paid by group homes of fifteen beds or less licensed as health care facilities or child foster care facilities for facility acquisition and indirectly reimbursed by the department of human services through payments for patients at those facilities who are recipients of medical assistance or state supplementary assistance are severe drains on the state's budget. A reduction in these costs obtained through financing with tax-exempt revenue bonds would clearly be in the public interest.

13. There is a need in areas of the state for new construction of certain group homes of fifteen beds or less licensed as health care facilities or child foster care facilities to provide adequate housing and care for elderly Iowans and Iowans with disabilities, and to provide adequate housing and foster care for children.

14. There is a need to provide for early intensive intervention on behalf of juveniles which is designed to meet the juveniles' needs and prevent future antisocial and criminal behavior and there is a need in areas of the state to establish facilities providing residential housing or treatment facilities for juveniles requiring a more enhanced level of services than those services currently available in the state's existing foster care system.

15. The abstract-attorney's title opinion system promotes land title stability for determining the marketability of land titles and is a public purpose. A public purpose will be served by providing, as an adjunct to the abstract-attorney's title opinion system, a low cost mechanism to provide for additional guaranties of real property titles in Iowa. The title guaranties will facilitate mortgage lenders' participation in the secondary market and add to the integrity of the land-title transfer system in the state.

[C77, 79, 81, § 220.3; 82 Acts, ch 1187, § 4]

83 Acts, ch 96, § 157, 159; 85 Acts, ch 252, §27; 90 Acts, ch 1239, § 5

C93, § 16.3

96 Acts, ch 1129, §10

#### **16.4 Guiding principles.**

In the performance of its duties and implementation of its powers, and in the selection of specific programs and projects to receive its assistance, the authority shall be guided by the following principles:

1. The authority shall not become an owner of real property, except on a temporary basis where necessary in order to implement its programs, protect its investments by means of foreclosure or other means, or to facilitate transfer of real property for the use of low or moderate income families.
2. The authority shall function in cooperation with local governmental units and local or regional housing agencies, and in fulfillment of local or regional housing plans, and to that end shall provide technical assistance to local governmental units and local or regional agencies in need of that assistance.
3. A local contributing effort shall be required of each project assisted by the authority. As used in this subsection, "*project*" includes one or more programs authorized under the provisions of this chapter. The local contribution may be provided by local governmental units or by local or regional agencies, public or private. Unless otherwise specified in this chapter, the percentage and type of local contribution shall be determined by the authority, and may include, but should not be limited to, cash match, land contribution, tax abatement, or ancillary facilities. The authority shall encourage ingenuity and creativity in local effort.
4. The authority shall encourage units of local government and local and regional housing agencies to use federal revenue-sharing funds for programs which increase or improve the supply of adequate housing for low or moderate income families.
5. The authority shall encourage cooperative housing efforts at the local level, both with respect to the cooperation of public bodies with private enterprise and civic groups, and with respect to the formation of regional or multicity units engaged in housing.
6. Wherever practicable, the authority shall give preference to the following types of programs:



a. Those which treat housing problems in the context of the total needs of individuals and communities, recognizing that individuals may have other problems and needs closely related to their need for adequate housing, and that the development of isolated housing units without regard for neighborhood and community development tends to create undesirable consequences.

b. Those which promote home ownership by families of low or moderate income, recognizing the need for educational counseling programs in family financial management and home maintenance in order to achieve this goal.

c. Those which involve the rehabilitation and conservation of existing housing units, and the preservation of existing neighborhoods and communities.

d. Those designed to serve elderly families, families which include one or more persons with disabilities, lower income families, or very low income families.

7. The authority shall encourage the protection, restoration and rehabilitation of historic properties, and the preservation of other properties of special value for architectural or esthetic reasons. As used in this subsection, "*historic properties*" means landmarks, landmark sites, or districts which are significant in the history, architecture, archaeology, or culture of this state, its communities, or the nation.

8. The authority shall exercise diligence and care in selection of projects to receive its assistance, and shall apply customary and acceptable business and lending standards in selection and subsequent implementation of such projects.

[C77, 79, 81, § 220.4]

C93, § 16.4

96 Acts, ch 1129, §113

### **16.5 General powers.**

The authority has all of the general powers needed to carry out its purposes and duties, and exercise its specific powers, including but not limited to the power to:

1. Issue its negotiable bonds and notes as provided in sections 16.26 to 16.30 in order to finance its programs.
2. Sue and be sued in its own name.
3. Have and alter a corporate seal.
4. Make and alter bylaws for its management consistent with the provisions of this chapter.
5. Make and execute agreements, contracts and other instruments, with any public or private entity. All political subdivisions, public housing agencies, other public agencies and state departments and agencies may enter into contracts and otherwise co-operate with the authority.
6. Acquire, hold, improve, mortgage, lease and dispose of real and personal property, including, but not limited to, the power to sell at public or private sale, with or without public bidding, any such property, mortgage loan, or other obligation held by it.
7. Procure insurance against any loss in connection with its operations and property interests.

8. Fix and collect fees and charges for its services.
9. Subject to an agreement with bondholders or noteholders, invest or deposit moneys of the authority in a manner determined by the authority, notwithstanding chapter 12B or 12C.
10. Accept appropriations, gifts, grants, loans, or other aid from public or private entities. A record of all gifts or grants, stating the type, amount and donor, shall be clearly set out in the authority's annual report along with the record of other receipts.
11. Provide technical assistance and counseling related to the authority's purposes, to public and private entities.
12. In cooperation with other local, state or federal governmental agencies, conduct research studies, develop estimates of unmet housing needs, and gather and compile data useful to facilitate decision making.
13. Cooperate in development of, and initiate housing demonstration projects.
14. Contract with architects, engineers, attorneys, accountants, housing construction and finance experts, and other advisors. However, the authority may enter into contracts or agreements for such services with local, state or federal governmental agencies.
15. Through the title guaranty division, make and issue title guaranties on Iowa real property in a form acceptable to the secondary market, to fix and collect the charges for the guaranties and to procure reinsurance against any loss in connection with the guaranties.
16. Provide moneys to the shelter assistance fund created in section 15.349.
17. Make, alter and repeal rules consistent with the provisions of this chapter, and subject to chapter 17A.

[C77, 79, 81, § 220.5]

84 Acts, ch 1230, § 2; 85 Acts, ch 252, §28

C93, § 16.5

97 Acts, ch 201, §17

### **16.5A Nonprofit corporations.**

Any nonprofit corporation created by or in association with the Iowa finance authority since January 1, 1989, shall file a report by January 15 of each year with the chairpersons and ranking members of the appropriate appropriations subcommittees of the general assembly. Any nonprofit corporation created by or in association with the authority since January 1, 1989, shall adopt a written conflict of interests policy.

98 Acts, ch 1225, §33

### **16.5B Housing corporation board.**

The board of directors of the Iowa housing corporation shall consist of seven voting members serving staggered three- year terms. One member of the board of directors shall be a representative of the home builders association of Iowa and one member of the board of directors shall be a representative of the Iowa bankers association.

### **16.6 Executive director responsibilities.**

1. The governor, subject to confirmation by the senate, shall appoint an executive director of the authority, who shall serve at the pleasure of the governor. The executive director shall be selected primarily for administrative ability and knowledge in the field, without regard to political affiliation. The executive director shall not, directly or indirectly, exert influence to induce any other officers or employees of the state to adopt a political view, or to favor a political candidate for office.
2. The executive director shall advise the authority on matters relating to housing and housing finance, carry out all directives from the authority, and hire and supervise the authority's staff pursuant to its directions. All employees of the authority are exempt from the merit system.
3. The executive director, as secretary of the authority, shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority and of its minute book and seal. The executive director shall have authority to cause to be made copies of all minutes and other records and documents of the authority and to give certificates under the seal of the authority to the effect that such copies are true copies and all persons dealing with the authority may rely upon such certificates.

[C77, 79, 81, § 220.6]

86 Acts, ch 1237, § 10; 88 Acts, ch 1158, § 50; 89 Acts, ch 302, § 11

C93, § 16.6

### **Footnotes**

Confirmation, see § 2.32

### **16.7 Annual report.**

1. The authority shall submit to the governor and to the general assembly, not later than January 15 each year, a complete report setting forth:
  - a. Its operations and accomplishments.
  - b. Its receipts and expenditures during the fiscal year, in accordance with the classifications it establishes for its operating and capital accounts.
  - c. Its assets and liabilities at the end of its fiscal year and the status of reserve, special and other funds.
  - d. A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and issued during its fiscal year.
  - e. A statement of its proposed and projected activities.
  - f. Recommendations to the general assembly, as it deems necessary.
  - g. An analysis of current housing needs in the state.
2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period, in attaining the goals. Where possible, results shall be expressed in

terms of housing units.

[C77, 79, 81, § 220.7]

C93, § 16.7

**16.8** Reserved.

**16.9 Nondiscrimination and affirmative action.**

1. Housing financed or otherwise assisted by the authority, directly or indirectly, shall be open to all persons regardless of race, creed, color, sex, national origin, age, physical or mental impairment, or religion except that preference may be given to elderly families, families which include one or more persons with disabilities, lower income families, or very low income families.

2. The authority shall promote marketing plans to make housing available to all persons without discrimination.

3. The authority shall require adoption and submission of an affirmative action program for employment by all contractors and subcontractors of housing financed or otherwise assisted by the authority.

4. The authority shall require all mortgage lenders who participate in programs financed or otherwise assisted by it to agree that they will not designate certain areas as unsuitable for the making of mortgage loans because of the prevailing income, racial, ethnic, or other characteristics of the inhabitants of the area. This subsection is intended to prohibit all mortgage lenders who participate in authority programs from engaging in the practice commonly known as "redlining".

5. The authority may require mortgage lenders who participate in programs financed or otherwise assisted by the authority to take affirmative action to make mortgage loans in areas with a higher than average concentration of lower-income families or members of racial or ethnic minorities.

[C77, 79, 81, § 220.9]

C93, § 16.9

96 Acts, ch 1129, § 113

**16.10 Surplus moneys loan and grant fund.**

1. Moneys declared by the authority to be surplus moneys which are not required to service bonds and notes issued by the authority, to pay administrative expenses of the authority, or to accumulate necessary operating or loss reserves, shall be used by the authority to provide grants, subsidies, and services to lower income families and very low income families through the programs authorized in this chapter or to provide funds for the residential mortgage interest reduction program established pursuant to section 16.81. In addition, the authority may use such surplus moneys to provide assistance to the local housing assistance program established in sections 15.351 through 15.354 for purposes of providing assistance to low and moderate income families. Surplus moneys shall not be used for infrastructure or administration purposes under the local housing assistance program.

2. The authority may establish a loan and grant fund which may be comprised of the proceeds of appropriations, grants, contributions, surplus moneys transferred as provided in this section and repayment of authority loans made from such fund.

[C77, 79, 81, § 220.10]

83 Acts, ch 124, § 3; 84 Acts, ch 1236, § 2; 86 Acts, ch 1245, § 841

C93, § 16.10

2000 Acts, ch 1071, §1, 2

### **16.11 Combination programs.**

Any programs authorized in this chapter may be combined with any other programs authorized in this chapter or in the Iowa agricultural development Act in order to facilitate as far as practicable the provision of adequate housing to low and moderate income families.

[C77, 79, 81, § 220.11]

C93, § 16.11

### **16.12 Property improvement loans and mortgage loans.**

1. The authority may make property improvement loans and mortgage loans, including but not limited to mortgage loans insured, guaranteed, or otherwise secured by the federal government or by private mortgage insurers, to housing sponsors to provide financing of adequate housing for low or moderate income families, elderly families, families which include one or more persons with disabilities, child foster care facilities, and health care facilities.

2. A property improvement loan or mortgage loan under this section may be made only when the authority determines that the housing sponsor is unable to obtain the necessary financing from nongovernmental sources upon terms and conditions which the sponsor reasonably could be expected to fulfill.

3. The authority shall make and execute contracts with mortgage lenders for the servicing of property improvement loans and mortgage loans made under this section. The authority may pay the reasonable value of services rendered pursuant to such contracts.

4. Mortgage loans and property improvement loans shall contain terms and provisions including interest rates, and be in a form as established by rules of the authority. The authority shall require the housing sponsor to execute assurances and guarantees reasonably related to protecting the security of the mortgage loan, as the authority deems necessary.

5. In considering an application for a property improvement loan or mortgage loan under this section, the authority shall determine that the housing will be adequate and provide for the special needs of families of low or moderate income, elderly families, or families which include one or more persons with disabilities, or will meet state standards for health care facilities or child foster care facilities, and shall also give consideration to:

*a.* The comparative need for housing, child foster care facilities, or health care facilities in the area.

*b.* The ability of the applicant to operate, manage, and maintain the proposed housing.

6. Each property improvement loan or mortgage loan shall be subject to an agreement between the authority and the housing sponsor which will subject the housing sponsor to limitations established by the authority as

to rentals and other charges, builders' and developers' profits and fees, and dispositions of interests in the property mortgaged, including provisions to prohibit assumption of a mortgage without permission of the mortgagee.

7. As a condition of a property improvement loan or mortgage loan, the authority may, upon reasonable notice, during construction or rehabilitation of the housing and during its operation:

*a.* Enter upon and inspect the physical condition of the premises, examine books and records of the housing sponsor, and impose fees to cover the cost of the inspections and examinations.

*b.* Require alterations or repairs as necessary to protect the security of its investment and the welfare of the occupants, and to ensure that the housing is in conformity with applicable federal, state, and local laws.

*c.* Require whatever action is necessary to comply with applicable federal, state, and local laws, and file and prosecute a complaint or seek injunctive relief for a violation of applicable federal, state, or local laws.

8. A property improvement loan or mortgage loan may be prepaid to maturity after a period of years as determined by rule of the authority, if the authority determines that the prepayment will not result in a material escalation of rents or fees charged to the occupants.

9. The authority may require as a condition of a property improvement loan that the improvements to be made therewith shall include bringing the property into compliance with thermal efficiency standards established by the state building code commissioner for existing structures or into compliance with such other thermal efficiency standards as the authority may deem appropriate.

[C77, 79, 81, § 220.12; 81 Acts, ch 76, § 3; 82 Acts, ch 1187, § 5]

C93, § 16.12

96 Acts, ch 1129, § 113

### **16.13 Lease-purchase agreements.**

In order to encourage eventual home ownership by low or moderate income families who are able to establish home ownership capability by showing regularity of payment and property maintenance, the authority may assist in the provision of housing to such families by means of down payment grants made pursuant to the lease-purchase program.

1. To the extent funds are available, the authority may provide down payment grants on behalf of low and moderate income families to nonprofit sponsors to defray all or part of the down payment on real property that is transferred by such sponsors to such families under the terms of the lease-purchase program.

2. To qualify for a down payment grant, the tenant shall have occupied the property for at least one year, have performed all routine maintenance, and have made all lease or rental payments on time and in full, during the year ending on the date of transfer.

3. Not more than thirty days prior to transfer of a property, an independent appraisal of such property shall be obtained, and the down payment shall not exceed ten percent of the lesser of the appraised value or agreed upon price.

4. Such down payment grant may be collectible in full and immediately by the authority in the following cases, when the beneficiary of the grant has lived in and occupied the property for less than five continuous years.

a. If the purchaser, at any future time, resells the property to a family that is not eligible for assistance under this section.

b. If the property is totally destroyed and insurance settlement is made.

[C77, 79, 81, § 220.13]

C93, § 16.13

#### **16.14 Iowa homesteading program.**

1. The Iowa homesteading program is established under the supervision of the authority to alleviate problems of slums and blighted areas, to provide for rehabilitation of deteriorating housing, and to provide the opportunity to rehabilitate and occupy such housing, to low and moderate income families, all of which are deemed to be public purposes. The authority may establish homesteading projects in any part of the state, subject to approval of the local governing body; and, in cooperation with suitable local agencies, the authority may provide financial and technical assistance to housing sponsors for the establishment and implementation of homesteading projects which meet the requirements of this chapter, and the authority may cooperate with similar local projects to provide housing.

2. Homesteading projects which meet the requirements of this chapter may be designated by the authority as Iowa homesteading projects. The conditional and absolute conveyance of fee simple title to real property, to a homesteading applicant, shall result in the inclusion of such real property in a designated Iowa homesteading project. The result of such designation shall be the cancellation of back taxes, penalties, interest and costs of the real property pursuant to sections 446.39 and 569.8, notwithstanding any other financial, technical or principal involvement in the property by the authority.

3. The authority may provide property improvement or mortgage loans to facilitate designated Iowa homesteading projects. Such loans may be for the purpose of financing acquisition, improvement or rehabilitation of housing included in a designated homesteading project. Such loans shall be made only upon property for which a conditional conveyance will be granted. The interest rates, security requirements and other terms of such loans shall be established by the authority and shall be as low as practical considering market conditions.

a. The housing sponsor of the designated homesteading project shall agree to:

(1) Approval of homesteading applicants on a first-in-time is first-in-right basis, unless probability of success with a subsequent applicant is substantially higher. In cases of two or more applicants for a single property, priority may be given to a resident of the city or county where the property is located, or to the applicant with the lowest income who is otherwise qualified.

(2) Assistance to approved applicants in seeking and obtaining counseling and financial assistance from appropriate sources during homesteading, and for a period of three years after the date of absolute conveyance.

(3) Conditional conveyance of unoccupied residential property to the applicant with or without any substantial consideration, which consideration may include the value of work performed by the applicant in rehabilitating the property during the period of the conditional conveyance.

(4) Arrangement of local supervision and administration of the designated homesteading project, including announced quarterly inspections of homesteads during rehabilitation.

(5) Revocation of the conditional conveyance, at option of the authority, upon any material breach of the

agreement between the housing sponsor and the authority.

(6) Repossession of property, subject to authority approval and upon proper notice and hearing unless waived in writing by the homesteading applicant, for unreasonable failure to complete rehabilitation as agreed upon at the time of conditional conveyance.

(7) Absolute conveyance of fee simple title to the applicant, upon satisfactory completion of rehabilitation and arrangement of mortgage financing from the authority or other institutions, as appropriate.

*b.* An approved applicant for a designated homesteading project shall:

(1) Agree to rehabilitate the property to meet applicable building or housing code standards within a two-year period after conditional conveyance. However, the two-year period may be extended for just cause.

(2) Agree to live in and occupy the homesteading property for five continuous years from the date of conditional conveyance. Such agreement may be waived by mutual agreement of the authority, the housing sponsor, and the applicant.

*c.* The authority may:

(1) Encourage homesteading sponsors and participating political subdivisions to coordinate approaches to neighborhood and area wide improvement through upgrading the public services and facilities through a designated Iowa homesteading project.

(2) Recommend legislation to provide appropriate exemptions from real property tax laws for properties included in a designated homesteading project.

(3) Recommend temporary suspension or temporary or permanent modification of building and housing code requirements to the extent necessary to permit safe and economical rehabilitation of housing included in a designated homesteading project.

[C77, 79, 81, § 220.14]

C93, § 16.14

### **16.15 Housing assistance for very low income and lower income families.**

1. The authority shall participate in the housing assistance payments program under section 8 of the United States Housing Act of 1937, section 1401 et seq., title 42, United States Code, as amended by section 201 of the Housing and Community Development Act of 1974 (Public Law 93-383). The purpose of participation is to enable the authority to obtain, on behalf of the state of Iowa, set-asides of contract authorization reserved by the United States secretary of housing and urban development for public housing agencies, to enter into annual contributions contracts, to otherwise expedite use of the program through the use of state housing finance funds, and to encourage new construction and substantial rehabilitation of housing suitable for assistance under the program. Assistance may be provided for existing housing units made available by owners for the program, as well as for newly constructed housing units. Maximum rents shall be established by the authority in conformity with federal law.

2. To establish maximum eligibility for set-asides the authority shall:

*a.* Develop and implement procedures which will to the fullest possible extent compliment the allocation system of the United States department of housing and urban development.



b. Evaluate statewide and local housing needs and develop a program to provide housing in areas of most critical need, within its allocation of set-aside contract authority.

c. Comply with all documentation and application requirements of the federal law.

3. The authority shall cooperate to the fullest extent possible with local housing agencies for implementation of the housing assistance payments program. The agency may enter into agreements with local housing agencies, housing cooperatives, or other public or private entities for commitment of housing assistance upon completion of an approved proposal, and may subsequently execute with such entities housing assistance payments contracts.

4. Permanent financing for units to be subsidized under the housing assistance payments program may be provided by the authority, directly or indirectly, by the proceeds from the sale of bonds and notes as provided in this chapter, or by other moneys available to the authority, by appropriations or otherwise.

5. The authority shall, when appropriate, take necessary steps to cooperate with the United States department of agriculture in implementation of sections 517 and 521 of the Housing Act of 1949, sections 1487 and 1490a, title 42, United States Code, as amended by section 514 of the Housing and Community Development Act of 1974 (Public Law 93-383). The purpose of such programs is to extend to rural areas the provisions of housing assistance payments programs.

6. The authority shall, when appropriate, take necessary steps to participate in the programs of federal assistance to state housing finance agencies for expanding the supply of housing available to low or moderate income families, as provided in section 802 of the Housing and Community Development Act of 1974 (Public Law 93-383).

7. The authority may participate in other programs under the Housing and Community Development Act of 1974 (Public Law 93-383), and in other federal programs designed to increase the supply of adequate housing for low or moderate income families and may recommend appropriate legislation to the general assembly where further legislation is needed to accomplish such participation. However, failure of the authority to participate in the federal programs set out in this section does not invalidate any bonds, notes or other obligations of the authority.

8. The authority shall ensure that moneys allocated to an eligible person administering a program to provide housing assistance under this section shall include moneys necessary to pay for all expenses relating to providing the housing assistance, including administrative expenses. However, not more than twenty percent of the total moneys allocated to a person shall be used for purposes of paying administrative expenses.

[C77, 79, 81, § 220.15]

92 Acts, ch 1064, § 1

C93, § 16.15

2003 Acts, ch 44, §14

### **16.16 Rent supplements.**

1. The authority may establish and administer through local public or private agencies an eighteen month demonstration program of rent supplements designed for very low income and lower income families, to provide for payment of a maximum of the difference between twenty-five percent of an eligible family's income and the fair market rental of a unit of housing, as established by the authority. Eligibility of a housing unit for participation in the demonstration rent supplement program is subject to approval by the authority

based on compliance with the definition of adequate housing in this chapter, and agreement by the owner to comply with authority rules pertaining to equal housing opportunity, maintenance, occupancy, and other authority policies. The authority shall, by rule, establish criteria for participation in the demonstration project, based upon the provisions of this section and section 16.4, including but not limited to the selection of target groups, determined by geographical location or special needs, to receive the benefits of the program under the demonstration project. It shall then receive applications for participation in the demonstration project from agencies or organizations described in subsection 2, prepare a detailed plan for the total demonstration project including a statement of funding needs, and submit the plan to the general assembly with its budget request.

2. A governing body of a city or county, a public housing agency, or a private, nonprofit organization which provides or wishes to provide housing to lower income families, is eligible to apply for participation in the rent supplement program. Funds available for the rent supplement program, whether from appropriations or from other sources, shall be made available by the authority to cities, counties, public housing agencies, or private, nonprofit organizations on a one-to-one matching basis with funds supplied by the cities, counties, public housing agencies, or private, nonprofit organizations that participate.

[C77, 79, 81, § 220.16]

C93, § 16.16

### **16.17 Emergency housing fund.**

The authority may make grants and temporary loans at interest rates and terms as determined by the authority, for the following purposes:

1. To defray the local contribution requirement for housing sponsors who apply for rent supplement assistance as provided in section 16.16 and who, in the judgment of the authority, would not be able to provide the local contribution without undue hardship.
2. To defray temporary housing costs that result from displacement by natural or other disaster, if the disaster has been proclaimed by the governor.
3. To defray a portion of the expense required to develop and initiate housing which deals creatively with the housing problems of low or moderate income families, elderly families, and families which include one or more persons with disabilities.

[C77, 79, 81, § 220.17]

C93, § 16.17

96 Acts, ch 1129, § 113

### **16.18 Special housing assistance.**

1. The authority may make temporary loans at interest rates and terms as determined by the authority, to defray development costs for housing for low or moderate income families provided by housing sponsors. A "development cost" loan shall be repaid in full by the borrower concurrent with obtaining a construction loan, unless the authority extends the period for repayment, but the period for repayment shall not be extended beyond the date of obtaining a mortgage loan on the housing. As used in this section, "*development costs*" means the costs approved by the authority as appropriate expenditures which may be incurred by builders and developers prior to commitment and initial advance of the proceeds of a construction loan or a mortgage loan, including but not limited to:

- a.* Payments for options to purchase properties on the proposed housing site, deposits on contracts of purchase, or, with approval of the authority, payments for the purchasing of such properties.
- b.* Legal and organizational expenses including payment of attorney fees, project manager, clerical, and other staff salaries, office rent, and other incidental expenses.
- c.* Payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work.
- d.* Expenses for tenant surveys and market analysis.
- e.* Necessary application and other fees.

2. The authority may make or participate in the making of property improvement loans or mortgage loans for rehabilitation or preservation of existing dwellings for the use of low or moderate income families, elderly families, or families which include one or more persons with disabilities. A rehabilitation or preservation loan may be for the estimated cost of the rehabilitation work to be done, for the purpose of refinancing an existing mortgage loan, for the purpose of doing the rehabilitation work, or for the purpose of acquiring housing in which rehabilitation work is to be done. The rehabilitation or preservation loan shall not exceed, with all other existing indebtedness of the property, the estimated market value of the property as determined by the authority, after the rehabilitation or preservation is completed, and the term of a loan shall not exceed the estimated useful life of the property as determined by the authority, after rehabilitation or preservation. The proposed rehabilitation or preservation shall assure that the property will not contain any substantial violation of applicable housing codes. A rehabilitation or preservation loan under this subsection may be made only when the authority determines that the proposed mortgagor is unable to obtain the necessary financing from nongovernmental sources upon terms and conditions which the proposed mortgagor reasonably could be expected to fulfill. A rehabilitation or preservation loan under this subsection may be provided only within an area of a city for which an authorized city agency submits a satisfactory affirmative neighborhood preservation program, or in other areas within or outside of cities where the authority determines that rehabilitation or preservation is economically sound and a program of neighborhood preservation is appropriate. The following criteria, along with others reasonably related to the purposes of this chapter, which may be determined by the authority, shall be considered in determining whether an affirmative neighborhood preservation program is satisfactory:

- a.* The degree of blight, decay, or deterioration of housing or the imminent threat of blight, decay, or deterioration of housing within the area.
- b.* The degree to which financing for repairs, remodeling, or rehabilitation of housing within the area is available.
- c.* The proportion of residential structures within the area which are owner-occupied.
- d.* The degree to which the financial resources of proposed occupants of the housing, including resources available to them under this chapter or other federal, state, and local laws and programs, provide reasonable assurances of the economic feasibility of the financing of rehabilitation or preservation.
- e.* The expressed commitment of the city to provide a concentrated effort to enforce the applicable housing codes within the area.
- f.* The expressed commitment of the city to provide capital improvements and other city services so as to stabilize, improve, and restore the neighborhood.

C93, § 16.18

96 Acts, ch 1129, § 113

### **16.19 Housing assistance fund notes.**

The authority may issue housing assistance fund notes, the principal and interest of which shall be payable solely from the housing assistance fund established under section 16.18. The fund notes of each issue shall be dated, shall mature at such times not exceeding ten years from their dates, and may be made redeemable before maturity, at the option of the authority, at prices and under terms and conditions as determined by the authority. The authority shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached thereto, and shall fix the denominations and the places of payment of principal and interest, which may be any financial institution within or without the state or any agent, including the lender. If any officer whose signature or a facsimile of whose signature appears on fund notes or coupons shall cease to be that officer before the delivery of the notes or coupons, the signature or facsimile shall be valid and sufficient for all purposes the same as if the officer had remained in office until delivery. The fund notes may be issued in coupon or in registered form, or both, as the authority determines, and provision may be made for the registration of coupon fund notes as to principal alone and also as to both principal and interest, and for the conversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered and coupon fund notes. Fund notes shall bear interest at rates as determined by the authority and may be sold in a manner, either at public or private sale, and for a price as the authority determines to be best to effectuate the purposes of the housing assistance fund. The proceeds of fund notes shall be used solely for the purposes for which issued and shall be disbursed in a manner and under restrictions as provided in this section and in the resolution of the authority providing for their issuance. The authority may provide for the replacement of fund notes which become mutilated or are destroyed or lost.

[C77, 79, 81, § 220.19]

C93, § 16.19

### **16.20 Loans to mortgage lenders.**

1. The authority may make, and contract to make, loans to mortgage lenders on terms and conditions as it determines which are reasonably related to protecting the security of the authority's investment and to implementing the purposes of this chapter, and subject to this section, and all mortgage lenders are authorized to borrow from the authority in accordance with the provisions of this section and the rules of the authority.
2. The authority shall require as a condition of each loan to a mortgage lender that the mortgage lender, within a reasonable period after receipt of the loan proceeds as the authority prescribes by rule, shall have entered into written commitments to make, and, within a reasonable period thereafter as the authority prescribes by rule, shall have disbursed the loan proceeds in new mortgage loans to low or moderate income families in an aggregate principal amount equal to the amount of the loan. New mortgage loans shall have terms and conditions as the authority prescribes by rules which are reasonably related to implementing the purposes of this chapter.
3. The authority shall require the submission to it by each mortgage lender to which the authority has made a loan, of evidence satisfactory to the authority of the making of new mortgage loans to low or moderate income families as required by this section, and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.
4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of new mortgage loans to low or moderate income families may be enforced by decree of any district

court of this state. The authority may require as a condition of a loan to a national banking association or a federally chartered savings and loan association, the consent of the association to the jurisdiction of courts of this state over any such proceeding. The authority may also require, as a condition of a loan to a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority, and the penalties shall be recoverable at the suit of the authority.

5. The authority shall require that each mortgage lender receiving a loan pursuant to this section shall issue and deliver to the authority an evidence of its indebtedness to the authority which shall constitute a general obligation of the mortgage lender and shall bear a date, mature at a time, be subject to prepayment, and contain other provisions consistent with this section and reasonably related to protecting the security of the authority's investment, as the authority determines.

6. Notwithstanding any other provision of this section to the contrary, the interest rate and other terms of loans to mortgage lenders made from the proceeds of an issue of bonds or notes of the authority shall be at least sufficient to assure the payment of the bonds or notes and the interest on them as they become due.

7. The authority shall require that loans to mortgage lenders are additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security by special escrow funds or other forms of guarantee and in such amounts and forms as the authority shall by resolution determine to be necessary to assure the payment of the loans and the interest thereon as they become due. Collateral security shall consist of direct obligations of, or obligations guaranteed by, the United States or one of its agencies, obligations satisfactory to the authority which are issued by other federal agencies, direct obligations of or obligations guaranteed by a state or a political subdivision of a state, or investment quality obligations approved by the authority.

8. The authority may require that collateral for loans be deposited with a bank, trust company or other financial institution acceptable to the authority located in this state and designated by the authority as custodian. In the absence of such a requirement, each mortgage lender shall enter into an agreement with the authority containing provisions as the authority deems necessary to adequately identify and maintain the collateral, service the collateral, and require the mortgage lender to hold the collateral as an agent for the authority and be accountable to the authority as the trustee of an express trust for the application and disposition of the collateral and the income from it. The authority may also establish additional requirements as it deems necessary with respect to the pledging, assigning, setting aside, or holding of collateral and the making of substitutions for it or additions to it and the disposition of income and receipts from it.

9. The authority may require as a condition of loans to mortgage lenders, any representations and warranties it determines are necessary to secure the loans and carry out the purposes of this section.

10. If a provision of this section is inconsistent with a provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

[C77, 79, 81, § 220.20]

C93, § 16.20

### **16.21 Purchase of mortgage loans.**

1. The authority may purchase, and make advance commitments to purchase, mortgage loans from mortgage lenders at prices and upon terms and conditions as it determines subject to this section. However, the total purchase price for all mortgage loans which the authority commits to purchase from a mortgage lender at any

one time shall not exceed the total of the unpaid principal balances of the mortgage loans purchased. Mortgage lenders are authorized to sell mortgage loans to the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of purchase of mortgage loans from mortgage lenders that the mortgage lenders, within a reasonable period after receipt of the purchase price as the authority prescribes by rule, shall enter into written commitments to loan and, within a reasonable period thereafter as the authority prescribes by rule, shall loan an amount equal to the entire purchase price of the mortgage loans, on new mortgage loans to low or moderate income families or certify that mortgage loans purchased are mortgage loans made to low or moderate income families. New mortgage loans to be made by mortgage lenders shall have terms and conditions as the authority prescribes by rule. The authority may make a commitment to purchase mortgage loans from mortgage lenders in advance of the time such loans are made by mortgage lenders. The authority shall require as a condition of such commitment that mortgage lenders certify in writing that all mortgage loans represented by the commitment will be made to low or moderate income families, and that other authority specifications will be complied with.

3. The authority shall require the submission to it by each mortgage lender from which the authority has purchased mortgages, of evidence satisfactory to the authority of the making of new mortgage loans to low or moderate income families as required by this section and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of new mortgage loans to low or moderate income families may be enforced by decree of any district court of this state. The authority may require as a condition of purchase of mortgage loans from any national banking association or federally chartered savings and loan association, the consent of the association to the jurisdiction of courts of this state over any such proceeding. The authority may also require as a condition of the authority's purchase of mortgage loans from a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority, and the penalties shall be recoverable at the suit of the authority.

5. The authority may require as a condition of purchase of a mortgage loan from a mortgage lender that the mortgage lender represent and warrant to the authority that:

*a.* The unpaid principal balance of the mortgage loan and the interest rate on it have been accurately stated to the authority.

*b.* The amount of the unpaid principal balance is justly due and owing.

*c.* The mortgage lender has no notice of the existence of any counterclaim, offset or defense asserted by the mortgagor or the mortgagor's successor in interest.

*d.* The mortgage loan is evidenced by a bond or promissory note and a mortgage which has been properly recorded with the appropriate public official.

*e.* The mortgage constitutes a valid first lien on the real property described to the authority subject only to real property taxes not yet due, installments of assessments not yet due, and easements and restrictions of record which do not adversely affect, to a material degree, the use or value of the real property or improvements on it.

*f.* The mortgagor is not now in default in the payment of any installment of principal or interest, escrow funds, real property taxes or otherwise in the performance of obligations under the mortgage documents and has not to the knowledge of the mortgage lender been in default in the performance of any obligation under the mortgage for a period of longer than sixty days during the life of the mortgage.

g. The improvements to the mortgaged real property are covered by a valid and subsisting policy of insurance issued by a company authorized to issue such policies in this state and providing fire and extended coverage in amounts as the authority prescribes by rule.

h. The mortgage loan meets the prevailing investment quality standards for mortgage loans in this state.

6. A mortgage lender is liable to the authority for damages suffered by the authority by reason of the untruth of a representation or the breach of a warranty and, in the event that a representation proves to be untrue when made or in the event of a breach of warranty, the mortgage lender shall, at the option of the authority, repurchase the mortgage loan for the original purchase price adjusted for amounts subsequently paid on it, as the authority determines.

7. The authority shall require the recording of an assignment of a mortgage loan purchased by it from a mortgage lender and shall not be required to notify the mortgagor of its purchase of the mortgage loan. The authority shall not be required to inspect or take possession of the mortgage documents if the mortgage lender from which the mortgage loan is purchased by the authority enters into a contract to service the mortgage loan and account to the authority for it.

8. If a provision of this section is inconsistent with another provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

[C77, 79, 81, § 220.21]

C93, § 16.21

### **16.22 Rules loans to mortgage lenders and purchase of mortgage loans.**

The rules of the authority relating to the making of loans to mortgage lenders or the purchase of mortgage loans shall provide at least for the following:

1. Procedures for the submission by mortgage lenders to the authority of request for loans and offers to sell mortgage loans.
2. Standards for allocating bond proceeds among mortgage lenders requesting loans from, or offering to sell mortgage loans to, the authority.
3. Standards for determining the principal amount to be loaned to each mortgage lender and the interest rate on each loan.
4. Standards for determining the aggregate principal amount of mortgage loans to be purchased from each mortgage lender and the purchase price.
5. Qualifications or characteristics of housing and the purchasers to be financed by new mortgage loans made in satisfaction of the requirements of section 16.20, subsection 2 or section 16.21, subsection 2.
6. Restrictions as to the interest rates to be allowed on new mortgage loans and the return to be realized by mortgage lenders.
7. Requirements as to commitments and disbursements by mortgage lenders with respect to new mortgage loans.
8. Schedules of fees and charges to be imposed by the authority.

9. Requirements for provisions that prohibit mortgage loans made under this program from being assumed without permission of the mortgagee.

[C77, 79, 81, § 220.22]

C93, § 16.22

### **16.23 Powers relating to loans.**

Subject to any agreement with bondholders or noteholders, the authority may renegotiate a mortgage loan or loan to a mortgage lender in default, waive a default or consent to the modification of the terms of a mortgage loan or a loan to a mortgage lender, forgive or forbear all or part of a mortgage loan or a loan to a mortgage lender, and commence, prosecute and enforce a judgment in any action, including but not limited to a foreclosure action, to protect or enforce any right conferred upon it by law, mortgage loan agreement, contract or other agreement, and in connection with any such action, bid for and purchase the property or acquire or take possession of it, complete, administer, pay the principal of and interest on any obligations incurred in connection with the property and dispose of and otherwise deal with the property in a manner as the authority deems advisable to protect its interests.

[C77, 79, 81, § 220.23]

C93, § 16.23

### **16.24 Certification of amortization periods.**

Before the authority provides money, either directly or indirectly, for any mortgage loan including property improvement loans authorized under section 16.37, it must obtain the certificate of a competent appraiser to the effect that the economic lifespan of the property on which the mortgage loan or property improvement loan is to be made is in excess of the period of amortization of the mortgage loan or property improvement loan. If an appraiser is used for the purpose of this section or for valuation of property for which the authority will provide money, either directly or indirectly, the authority shall give preference to the use of a local appraiser.

[C77, 79, 81, § 220.24]

C93, § 16.24

### **16.25 Planning, zoning and building laws.**

All housing provided or assisted by the authority is subject to any applicable master plan, official map, zoning regulation, building code, housing code and any other law or regulation governing land use, pollution control, environmental quality, planning or construction, for the area in which the housing is to be located.

[C77, 79, 81, § 220.25]

C93, § 16.25

### **16.26 Bonds and notes.**

1. The authority may issue its negotiable bonds and notes in principal amounts as, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers.



The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

2. Bonds and notes issued by the authority are payable solely and only out of the moneys, assets, or revenues of the authority, and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this chapter, and the authority may not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority, or make its debts payable out of any moneys except those of the authority.

3. Bonds and notes must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of the authorized officer.

4. Bonds shall:

*a.* State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limit.

*b.* Be either registered, registered as to principal only, or in coupon form, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the chairperson or vice chairperson, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the authority or a facsimile of it, and the coupons attached shall be signed with the facsimile signature of the chairperson or vice chairperson, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places, and with reserved rights of prior redemption, as the authority prescribes, be sold at prices, at public or private sale, and in a manner as the authority prescribes, and the authority may pay all expenses, premiums, and commissions which it deems necessary or advantageous in connection with the issuance and sale, and be issued under and subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the authority for the most advantageous sale, which may include, but are not limited to, covenants with the holders of the bonds as to:

(1) Pledging or creating a lien, to the extent provided by the resolution, on moneys or property of the authority or moneys held in trust or otherwise by others to secure the payment of the bonds.

(2) Providing for the custody, collection, securing, investment, and payment of any moneys of or due to the authority.

(3) The setting aside of reserves or sinking funds and the regulation or disposition of them.

(4) Limitations on the purpose to which the proceeds of sale of an issue of bonds then or thereafter to be issued may be applied.

(5) Limitations on the issuance of additional bonds and on the refunding of outstanding or other bonds.

(6) The procedure by which the terms of a contract with the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which consent may be given.

(7) The creation of special funds into which moneys of the authority may be deposited.

(8) Vesting in a trustee properties, rights, powers, and duties in trust as the authority determines, which may include the rights, powers, and duties of the trustee appointed for the holders of any issue of bonds pursuant to section 16.28, in which event the provisions of that section authorizing appointment of a trustee by the holders of bonds shall not apply, or limiting or abrogating the right of the holders of bonds to appoint a trustee under that section, or limiting the rights, duties, and powers of the trustee.

(9) Defining the acts or omissions which constitute a default in the obligations and duties of the authority and providing for the rights and remedies of the holders of bonds in the event of a default. However, rights and remedies shall be consistent with the laws of this state and other provisions of this chapter.

(10) Any other matters which affect the security and protection of the bonds and the rights of the holders.

5. The authority may issue its bonds for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this chapter.

6. The authority may issue negotiable bond anticipation notes and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the authority not otherwise pledged, or from the proceeds of the sale of bonds of the authority in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes shall be issued in the same manner as bonds, and notes and the resolution authorizing them may contain any provisions, conditions, or limitations, not inconsistent with the provisions of this subsection, which the bonds or a bond resolution of the authority may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided in this chapter for bondholders. Notes shall be as fully negotiable as bonds of the authority.

7. A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust or similar agreement, or any revisions or supplements to it shall be filed with the secretary of state and no further filing or other action under chapter 554, article 9 of the uniform commercial code, or any other law of the state shall be required to perfect the security interest in the collateral or any additions to it or substitutions for it, and the lien and trust so created shall be binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.

8. Neither the members of the authority nor any person executing its bonds, notes, or other obligations shall be liable personally on the bonds, notes, or other obligations or be subject to any personal liability or accountability by reason of the issuance of the authority's bonds or notes.

9. The authority may make or participate in the making of loans to housing sponsors to provide interim construction financing for the construction or rehabilitation of adequate housing for low or moderate income persons or families, elderly persons or families, and persons or families which include one or more persons with disabilities, and of noninstitutional residential care facilities. An interim construction loan may be made

under this section only if the loan is the subject of a commitment from an agency or instrumentality of the United States government or from the authority, to provide long-term financing for the mortgage loan, and interim construction advances made under the interim construction loan will be insured or guaranteed by an agency or instrumentality of the United States government.

[C77, 79, 81, § 220.26; 82 Acts, ch 1173, § 3]

83 Acts, ch 124, § 4; 84 Acts, ch 1281, § 7; 85 Acts, ch 225, §2

C93, § 16.26

96 Acts, ch 1129, § 113; 2000 Acts, ch 1149, §161, 187

### **16.27 Reserve funds and appropriations.**

1. The authority may create and establish one or more special funds, to be known as "*bond reserve funds*", and shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions of the authority authorizing their issuance, and any other moneys which may be available to the authority for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.
2. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this section, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums and the sinking fund payments with respect to the bonds for the payment of which other moneys of the authority are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the authority to other funds or accounts of the authority to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.
3. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the authority at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less than the bond reserve fund requirement for the fund. For the purposes of this section, the term "*bond reserve fund requirement*" means, as of any particular date of computation, an amount of money, as provided in the resolutions of the authority authorizing the bonds with respect to which the fund is established, equal to not more than ten percent of the outstanding principal amount of bonds of the authority secured in whole or in part by the fund.
4. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subsection 1 for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chairperson of the authority shall, on or before July 1 of each calendar year, make and deliver to the governor the chairperson's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid

to the authority pursuant to this section shall be deposited by the authority in the applicable bond reserve fund.

5. All amounts paid over to the authority by the state pursuant to the provisions of this section shall constitute and be accounted for as advances by the state to the authority and, subject to the rights of the holders of any bonds or notes of the authority theretofore or thereafter issued, shall be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, notes or obligations of the authority, the bond reserve fund and operating expenses.

6. The authority shall cause to be delivered to the legislative fiscal committee within ninety days of the close of its fiscal year its annual report certified by an independent certified public accountant (who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority) selected by the authority. In the event that the principal amount of any bonds or notes deposited in a bond reserve fund is withdrawn for payment of principal or interest thereby reducing the amount of that fund to less than the bond reserve fund requirement, the authority shall immediately notify the general assembly of this event and shall thereafter take steps to restore such bond reserve to the bond reserve fund requirement for that fund from any amounts available, other than principal of a bond issue, which are not pledged to the payment of other bonds or notes.

[C77, 79, 81, § 220.27]

C93, § 16.27

#### **16.28 Remedies of bondholders and noteholders.**

1. If the authority defaults in the payment of principal or interest on an issue of bonds or notes after they become due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or if the authority fails or refuses to comply with the provisions of this chapter, or defaults in an agreement made with the holders of an issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of bonds or notes of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the authority is located, and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes provided in this section.

2. The authority or any trustee appointed under the indenture under which the bonds are issued may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall:

*a.* Enforce all rights of the bondholders or noteholders, including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter.

*b.* Bring suit upon the bonds or notes.

*c.* By action require the authority to account as if it were the trustee of an express trust for the holders.

*d.* By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.

*e.* Declare all the bonds or notes due and payable and if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences.

The bondholders or noteholders, to the extent provided in the resolution by which the bonds or notes were issued or in their agreement with the authority, may enforce any of the remedies in paragraphs "a" to "e" or

the remedies provided in those agreements for and on their own behalf.

3. The trustee shall also have and possess all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

4. Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority and to the attorney general of the state.

5. The district court has jurisdiction of any action by the trustee on behalf of bondholders or noteholders. The venue of the action shall be in the county in which the principal office of the authority is located.

[C77, 79, 81, § 220.28; 82 Acts, ch 1187, § 6]

C93, § 16.28

### **16.29 Local urban homesteading.**

Units of local government shall have authority to enact ordinances in relation to locally originated, sponsored, and funded urban homesteading programs which, upon approval by the authority, can modify building and housing code requirements to the extent and for the purpose enumerated in section 16.14, subsection 3, paragraph "b".

[C79, 81, § 220.29]

C93, § 16.29

### **16.30 Bonds and notes as legal investments.**

Bonds and notes of the authority are securities in which public officers, state departments and agencies, political subdivisions, insurance companies, and other persons carrying on an insurance business, banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries, and other persons authorized to invest in bonds or other obligations of this state, may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes are also securities which may be deposited with and may be received by public officers, state departments and agencies, and political subdivisions, for any purpose for which the deposit of bonds or other obligations of this state is authorized.

[C77, 79, 81, § 220.30]

C93, § 16.30

### **16.31 Moneys of the authority.**

1. Moneys of the authority from whatever source derived, except as otherwise provided in this chapter, shall be paid to the authority and shall be deposited in a bank or other financial institution designated by the authority. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall, if required by the authority, be secured in the manner determined by the authority. The auditor of state and the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing, and the authority shall not be required to pay a fee for the examination.

2. The authority may contract with holders of its bonds or notes as to the custody, collection, security, investment, and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds or notes, and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of the moneys may be secured in the same manner as moneys of the authority, and banks and trust companies may give security for the deposits.

3. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the director of the department of administrative services, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state, the department of management, and the department of administrative services, within thirty days of its receipt by the authority, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.

[C77, 79, 81, § 220.31]

88 Acts, ch 1158, §51

C93, § 16.31

2003 Acts, ch 145, §286

### **16.32 Limitation of liability.**

Neither the members of the authority, nor persons acting in its behalf, while acting within the scope of their employment or agency, are subject to personal liability resulting from carrying out the powers and duties given in this chapter.

[C77, 79, 81, § 220.32]

C93, § 16.32

### **16.33 Assistance by state officers, agencies and departments.**

State officers and state departments and agencies may render services to the authority within their respective functions as requested by the authority.

[C77, 79, 81, § 220.33]

C93, § 16.33

### **16.34 Liberal interpretation.**

This chapter, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

[C77, 79, 81, § 220.34]

C93, § 16.34

### **16.35 Conflicts of interest.**

1. If a member or employee other than the executive director of the authority has an interest, either direct or

indirect, in a contract to which the authority is, or is to be, a party, or in a mortgage lender requesting a loan from, or offering to sell mortgage loans to, the authority, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority. The member or employee having the interest shall not participate in action by the authority with respect to that contract or mortgage lender.

A violation of a provision of this subsection is misconduct in office under section 721.2. However, a resolution of the authority is not invalid because of a vote cast by a member in violation of this subsection unless the vote was decisive in the passage of the resolution.

For the purposes of this subsection, "*action of the authority with respect to that contract or mortgage lender*" means only an action directly affecting a separate contract or mortgage lender, and does not include an action which benefits the general public or which affects all or a substantial portion of the contracts or mortgage lenders included in a program of the authority.

2. Nothing in this section shall be deemed to limit the right of a member, officer or employee of the authority to acquire an interest in bonds or notes of the authority or to limit the right of a member or employee other than the executive director to have an interest in a bank or other financial institution in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party.

3. The executive director shall not have an interest in a bank or other financial institution in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party. The executive director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending or aiding in any purchase or sale of property, or loan, made by the authority, nor shall the executive director be pecuniarily interested, either as principal, coprincipal, agent or beneficiary, either directly or indirectly, or through any substantial interest in any other corporation or business unit, in any such purchase, sale or loan.

[C77, 79, 81, § 220.35]

C93, § 16.35

### **16.36 Exemption from competitive bid laws.**

The authority and all contracts made by it in carrying out its public and essential governmental functions under sections 16.12 to 16.16, 16.18, 16.20 and 16.21, shall be exempt from the provisions and requirements of all laws of the state which provide for competitive bids in connection with such contracts.

[C77, 79, 81, § 220.36]

C93, § 16.36

### **16.37 Solar and renewable energy systems loans.**

The authority may make loans to mortgage lenders under section 16.20 or purchase loans from mortgage lenders under section 16.21 to be used to finance property improvement loans for solar and other renewable energy systems. These loans shall be limited to low or moderate income families.

[C81, § 220.37]

C93, § 16.37

### **16.38 Limitation on loans.**

1. The borrower must occupy the property as the borrower's primary residence.
2. Only individuals who meet the principal requirements for an original mortgagor are eligible to assume a mortgage loan issued under this chapter.
3. Any sale of a residence securing a mortgage loan financed by the authority, either directly or indirectly, must be reported to the authority by the borrower.

[C81, § 220.38; 81 Acts, ch 76, § 5]

84 Acts, ch 1219, § 10

C93, § 16.38

### **16.39 New construction and housing rehabilitation requirements.**

If demand exists for new construction financing, as evidenced by timely filed and executed application commitment agreements, the authority shall ensure that up to twenty-five percent of the proceeds from sales of obligations of the authority are made available to finance newly constructed housing units. The authority shall also provide that up to an additional twenty-five percent of the proceeds from the sale of obligations of the authority may be made available to finance newly constructed housing units at the request of parties submitting timely filed and executed application commitment agreements. The authority may limit the period during which requests for the additional twenty-five percent of the proceeds may be made and may charge the requesting parties fees in amounts equal to the authority's cost of making the additional twenty-five percent of the proceeds available to finance newly constructed housing units. Failure to comply with this requirement does not invalidate any 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.

If the authority determines that sufficient demand exists for housing rehabilitation financing, it shall endeavor to issue obligations to finance that demand. If the authority finds it is unable to issue obligations to meet that demand, it shall file, within six months of the date of the determination that a demand exists, a full report with the governor, secretary of the senate, and chief clerk of the house of representatives explaining the demand and the reason it was not possible to satisfy that demand.

[81 Acts, ch 77, § 1]

C83, § 220.39

86 Acts, ch 1128, § 1

C93, § 16.39

### **16.40 Housing program fund.**

A housing program fund is created within the treasurer of state's office. The moneys shall be used by the authority and are appropriated for the following purposes:

1. To cover initial commitment costs of authority bond issues and loans in order to facilitate and ensure equal access across the state to funds for programs for first-time home buyers.



2. For the home maintenance and repair program under section 16.100, subsection 2, paragraph "a".
3. For the rental rehabilitation program under section 16.100, subsection 2, paragraph "b".
4. For the home ownership incentive program under section 16.100, subsection 2, paragraph "c".

Moneys in the fund shall not revert to the general fund and interest on the moneys in the fund shall be retained as part of the fund and not accrue to the general fund.

85 Acts, ch 252, §29

CS85, § 220.40

88 Acts, ch 1145, § 1

C93, § 16.40

97 Acts, ch 201, §18

**16.41** Reserved.

**16.42 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 July 1, 1981, 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.

[81 Acts, ch 76, § 6]

C83, § 220.42

C93, § 16.42

**16.43 Economic distress areas named.**

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, as amended.

[81 Acts, ch 76, § 7]

C83, § 220.43

C93, § 16.43

**16.44 Application of funds from sales of obligations.**

All moneys received by or on behalf of the authority, whether as proceeds from the sale of obligations or as revenues, are trust funds to be held and applied solely for the purposes specified in the appropriation, bond resolution, or other document authorizing receipt of the moneys by the authority. A person with which the

moneys are deposited shall act as trustee of the moneys and shall hold and apply the moneys for the purposes specified in this chapter subject to limitations specified in this chapter and in the bond resolution authorizing the issuance of the obligations.

[82 Acts, ch 1173, § 6]

C83, § 220.44

C93, § 16.44

#### **16.45 Qualified mortgage bonds allocation of state ceiling.**

1. For purposes of this section, "*Internal Revenue Code*" means the same as defined in section 422.3, "*state ceiling*" means the same as defined in section 103A(g)(4) of the Internal Revenue Code, and "*qualified mortgage bonds*" means the same as defined in section 103A(c) of the Internal Revenue Code.

2. Pursuant to section 103A(g)(6) of the Internal Revenue Code, the amount of the state ceiling for qualified mortgage bonds is allocated to the authority. The authority may provide pursuant to subsection 3 for reallocation of an amount, not in excess of fifty percent of the state ceiling, among other governmental units in the state having authority to issue qualified mortgage bonds.

3. An allocation to a governmental unit shall not exceed the amount which the governmental unit has shown can reasonably be anticipated to be fully utilized during that calendar year. In considering a request for allocation, the authority shall consider the following factors:

*a.* The number of requests received and expected to be received from other governmental units for the calendar year and the volume of bonds represented by those requests.

*b.* The population of the governmental unit making the request.

*c.* The volume of bonds issued or to be issued by the authority in the calendar year the proceeds of which will be allocated to the same geographical area.

*d.* The amount of bond proceeds to be targeted to areas of chronic economic distress as defined in section 103A(k)(3) of the Internal Revenue Code.

*e.* The economies of a bond issue of a larger or smaller size.

*f.* Allocations made under this section in the same or previous calendar years to the governmental unit.

*g.* If another governmental unit having authority to issue qualified mortgage bonds has jurisdiction over all or part of the same geographical area as the unit requesting an allocation and the realistic plans of that other unit to issue the bonds.

*h.* The probability that a governmental unit will be able to use the funds allocated within a reasonable period of time.

*i.* Other factors and considerations the authority deems necessary or appropriate.

[82 Acts, ch 1187, § 7]

C83, § 220.45

**16.46 through 16.50** Reserved.

**16.51 Additional loan program.**

1. The authority may enter into a loan agreement with a housing sponsor to finance in whole or in part the acquisition of housing by construction or purchase. The repayment obligation of the housing sponsor may be unsecured, secured by a mortgage or security agreement, or secured by other security as the authority deems advisable, and may be evidenced by one or more notes of the housing sponsor. The loan agreement may contain terms and conditions the authority deems advisable.

2. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:

*a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest, and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the housing sponsor.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the agreement or instrument, the payment or performance may be enforced in accordance with the provisions contained in the agreement or instrument.

*d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

*e.* Other terms and conditions.

3. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the housing sponsor, and that the principal and interest does not constitute an indebtedness of the authority or a charge against its general credit or general fund.

4. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

C83, § 220.51

83 Acts, ch 124, § 5

C93, § 16.51

**16.52 State housing credit ceiling allocation.**

1. The authority is designated the housing credit agency for the allowance of low-income housing credit under the state housing credit ceiling.

2. The authority shall adopt rules and allocation procedures which will ensure the maximum use of available tax credits in order to encourage development of low-income housing in the state. The authority shall consider the following factors in the adoption and application of the allocation rules:

*a.* Timeliness of the application.

*b.* Location of the proposed housing project.

*c.* Relative need in the proposed area for low-income housing.

*d.* Availability of low-income housing in the proposed area.

*e.* Economic feasibility of the proposed project.

*f.* Ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

The authority shall adopt rules specifying the application procedure and the allowance of low-income housing credits under the state housing credit ceiling.

3. The authority shall not allow more than ninety percent of the low-income housing credits under the state housing credit ceiling to projects other than qualified low-income housing projects as defined in Internal Revenue Code § 42(h)(5)(B).

87 Acts, ch 125, § 3

CS87, § 220.52

C93, § 16.52

**16.53 Residential reverse annuity mortgage model program.**

The authority shall develop a model reverse annuity mortgage conforming to the requirements of this chapter, and shall offer reverse annuity mortgages to qualified participants.

89 Acts, ch 267, § 10

CS89, § 220.53

C93, § 16.53

**Footnotes**

Iowa finance authority authorized to issue bonds for the residential reverse annuity mortgage model program, to be repaid from program proceeds; 89 Acts, ch 267, § 11

**16.54 through 16.60** Reserved.

**16.61 Legislative findings purposes public policy.**

1. The general assembly finds and declares as follows:

*a.* A viable small business community is essential to the continuing welfare of Iowans who depend on small business for employment.

*b.* Iowa small business must continue to expand and develop if they are to remain competitive in state and local markets.

*c.* Small business expansion and development is dependent upon the availability of financing for expansion and development at interest rates which small businesses may reasonably pay.

*d.* Private financing for small businesses at low interest rates is unavailable to assist small business expansion and development. The Iowa small business loan program is necessary to encourage the investment of private capital in small business expansion and development through the use of public financing as provided in this section and sections 16.62 to 16.65.

2. The purposes of the small business loan program are:

*a.* To promote the business prosperity and economic welfare of Iowa and Iowans.

*b.* To assist, through loans, investments, and other transactions, the location of new small business and industry in the state.

*c.* To assist through loans, investments, and other transactions, existing small business and industry in the state.

*d.* To provide employment opportunities and thereby improve the standard of living of Iowans.

*e.* To promote industrial, commercial, and recreational development in this state.

3. All of the purposes stated in this section are public purposes and uses for which public moneys provided by the sale of revenue bonds may be used.

4. It is the public policy of the state through the establishment of the small business loan program to promote the economic welfare of Iowans and to improve employment opportunities for Iowans. To advance that public policy, the authority may make loans to borrowers for both the acquisition and the construction of projects and may issue obligations of this state payable solely from bond proceeds, to pay the cost of the projects.

[82 Acts, ch 1173, § 5]

C83, § 220.61

C93, § 16.61

## **16.62 Small business loan program.**

1. The authority shall initiate a program to assist the development and expansion of small business in Iowa. The authority may issue bonds and notes the proceeds of which shall be used to make program loans. Bonds and notes issued under this section are subject to all provisions of this chapter relating to the issuance of bonds.

2. The authority may contract with the Iowa business development credit corporation or any other corporation organized under chapter 496B for the provision by the corporation of lending and other administrative services relative to the loan program to the authority.

[82 Acts, ch 1173, § 5]

C83, § 220.62

83 Acts, ch 124, § 6

C93, § 16.62

94 Acts, ch 1023, §74

## **16.63 Small business loan program specific powers.**

In assisting Iowa small businesses through the loan program, the authority may do any of the following:

1. Make loans, secured and unsecured, for both the acquisition and the construction of projects on terms the authority determines. The authority may take any action which is reasonable and lawful to protect its security and to avoid losses from its loans. Before making a loan, the authority shall find that the proposed project shall result in one or more of the following:

*a.* The creation of jobs in Iowa.

*b.* Increased revenues for the borrower from a more modern or expanded facility.

*c.* Providing a service facility needed in the community where the project will be located.

2. Acquire, hold, and mortgage personal property and real estate and interests in real estate to be used as a project.

3. Purchase, construct, improve, furnish, equip, lease, option, sell, exchange, or otherwise dispose of projects under the terms the authority determines. However, in the lease, sale, or loan agreement relating to a project, the authority shall provide for adequate maintenance of the project.

4. Grant a mortgage, lien, pledge, assignment, or other encumbrance on a project, revenues, or reserve or other funds established in connection with obligations, or with respect to a lease, sale, or loan relating to a project, or a guaranty or insurance agreement relating to a project, or an interest, secured or unsecured, of the authority in a project or part of a project.

5. Provide that the interest on obligations may vary in accordance with a base or formula authorized by the authority.

6. Contract for the acquisition, construction, or both of a project or part of a project and for the leasing, subleasing, sale, or other disposition of a project in a manner determined by the authority.

7. Cooperate with the Iowa department of economic development and use its facilities to assist and encourage organizations in Iowa communities in the promotion and development of small business prosperity in those communities.

[82 Acts, ch 1173, § 5]

C83, § 220.63

C93, § 16.63

#### **16.64 Small business loan criteria.**

In determining whether a small business is eligible for a loan from the small business loan program, the authority shall consider the following criteria:

1. The applicant shall be of good character as determined by rule which shall be adopted by the authority.
2. The applicant shall show evidence that the applicant is able to operate the business successfully.
3. The applicant shall have enough capital in the business so that with assistance from the loan program, the applicant will be able to operate the business on a financially sound basis.
4. The loan shall be so secured or of such sound value as to reasonably assure repayment.
5. The business' past earnings record and future prospects shall indicate an ability to repay the loan out of income from the business.
6. Whether the granting of the loan will increase employment or have other favorable effects upon the economic life of the community where the business is located.

[82 Acts, ch 1173, § 5]

C83, § 220.64

C93, § 16.64

#### **16.65 Loan agreement with sponsors.**

1. The authority may enter into a loan agreement with a project sponsor to finance in whole or in part the acquisition of a project by construction or purchase. The repayment obligation of the project sponsor may be unsecured, secured by a mortgage or security agreement, or secured by other security as the authority deems advisable, and may be evidenced by one or more notes of the project sponsor. The loan agreement may contain terms and conditions the authority deems advisable.
2. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:
  - a. That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.
  - b. That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest,

and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the project sponsor.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the agreement or instrument, the payment or performance may be enforced in accordance with the provisions contained in the agreement or instrument.

*d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

*e.* Other terms and conditions.

3. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the project sponsor, and that the principal and interest does not constitute an indebtedness of the authority or a charge against its general credit or general fund.

4. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

[82 Acts, ch 1173, § 5]

C83, § 220.65

C93, § 16.65

**16.66 through 16.70** Reserved.

#### **16.71 Residential mortgage marketing program.**

The authority shall establish a program to assist lenders to sell residential mortgage loans in the organized and unorganized secondary mortgage market. The authority may issue taxable and tax- exempt bonds and notes. The proceeds of the bonds shall be used to purchase residential mortgage loans from lenders. Bonds and notes issued under this section are subject to all provisions of this chapter relating to the issuance of bonds.

83 Acts, ch 124, § 7

CS83, § 220.71

C93, § 16.71

94 Acts, ch 1023, §75

#### **16.72 Powers.**



1. The authority may purchase, and make advance commitments to purchase, residential mortgage loans from mortgage lenders at prices and upon terms and conditions it determines subject to this section. However, the total purchase price for all residential mortgage loans which the authority commits to purchase from a mortgage lender at any one time shall not exceed the total of the unpaid principal balances of the residential mortgage loans purchased. Mortgage lenders are authorized to sell residential mortgage loans to the authority in accordance with this section and the rules of the authority. The authority may charge a mortgage lender a commitment fee or other fees as set by rule as a condition for the authority purchasing residential mortgage loans.

2. The authority may sell or make advanced commitments to sell residential mortgage loans in the organized or unorganized secondary mortgage market. The authority may issue and sell securities that are secured by residential mortgage loans held by the authority. The authority may aggregate the residential mortgage loans sold in the secondary market or used as security on the mortgage-backed securities. The amount of mortgage-backed securities sold shall not exceed principal of the mortgages retained by the authority as security.

3. The authority may require as a condition of purchase of a residential mortgage loan from a mortgage lender that the mortgage lender represent and warrant to the authority that:

*a.* The unpaid principal balance of the residential mortgage loan and the interest rate on it have been accurately stated to the authority.

*b.* The amount of the unpaid principal balance is justly due and owing.

*c.* The mortgage lender has no notice of the existence of a counterclaim, offset, or defense asserted by the mortgagor or the mortgagor's successor in interest.

*d.* The residential mortgage loan is evidenced by a bond or promissory note and a mortgage which has been properly recorded with the appropriate public official.

*e.* The mortgage constitutes a valid first lien on the real property described in the mortgage to the authority subject only to real property taxes not yet due, installments of assessments not yet due, and easements and restrictions of record which do not adversely affect, to a material degree, the use or value of the real property or improvements on it.

*f.* The mortgagor is not now in default in the payment of an installment of principal or interest, escrow funds, real property taxes, or otherwise in the performance of obligations under the mortgage documents and has not to the knowledge of the mortgage lender been in default in the performance of an obligation under the mortgage for a period of longer than sixty days during the life of the mortgage.

*g.* The improvements to the mortgaged real property are covered by a valid and subsisting policy of insurance issued by a company authorized to issue policies in this state and providing fire and extended coverage in amounts as the authority prescribes by rule.

*h.* The residential mortgage loan meets the prevailing investment quality standards for residential mortgage loans in this state.

83 Acts, ch 124, § 8

CS83, § 220.72

C93, § 16.72

## **16.73 Rules.**

The authority shall adopt rules pursuant to chapter 17A relating to the purchase and sale of residential mortgage loans and the sale of mortgage-backed securities. The rules shall provide at least for the following:

1. Procedures for the submission by mortgage lenders to the authority of offers to sell mortgage loans.
2. Standards for allocating bond proceeds among mortgage lenders offering to sell mortgage loans to the authority.
3. Standards for determining the aggregate principal amount of mortgage loans to be purchased from each mortgage lender and the purchase price.
4. Schedules of fees and charges to be imposed by the authority.
5. Procedures for issuing mortgage-backed securities.

83 Acts, ch 124, § 9

CS83, § 220.73

C93, § 16.73

**16.74 through 16.80** Reserved.

## **16.81 Residential mortgage interest reduction program.**

1. The authority shall initiate a residential mortgage interest reduction program to reduce the interest costs on groups of mortgage loans. The authority shall use the money specially appropriated to operate this program, and the authority may use moneys declared to be surplus as provided in section 16.10, subsection 1, or moneys obtained from grants, gifts, bequests, contributions, and other uncommitted funds to operate this program.
2. Each mortgage loan included in this program shall be for the purpose of acquiring a single-family dwelling to be occupied by the owner of that dwelling, or a two-family dwelling where the owner will occupy one of the units. The authority shall adopt rules establishing the maximum purchase prices for both single-family dwellings and two-family dwellings in order to be included in a particular group of mortgages. These maximum purchase prices shall not exceed the maximum prices established by section 103A, Internal Revenue Code. These rules shall only apply to mortgages financed from the sale of tax-exempt bonds.
3. The interest reduction established by the authority for a group of loans shall meet the requirements of this subsection. The interest rate of a loan shall be reduced for a period not to exceed five years. The interest rate of a loan during the first year shall be reduced by not less than three percent and not more than five percent. The amount of the reduction in the interest rate of the loan in each subsequent year of the reduction period, if there are any subsequent years, shall be equal to the percent reduction in the first year multiplied times a fraction which has as its denominator the total number of years of the interest reduction period and has as its numerator the number of years remaining in the interest reduction period at the beginning of the subsequent year. For purposes of this subsection the first year of the interest reduction period starts on the date the loan is closed and ends eleven months after the date of the first monthly payment.
4. The authority shall implement this program by allocating a specified amount of money to reduce the interest rate on some or all of the mortgage loans purchased. The authority shall pay for the interest reduction on a group of loans to mortgage lenders, mortgage purchasers, or investors at the same time that it purchases

that group of loans. For each bond issue using this program the authority shall establish the interest rate reductions it will purchase, the amount the authority will pay for the interest rate reductions, and the method of determining which of the eligible loans will be reduced.

83 Acts, ch 124, § 10

CS83, § 220.81

C93, § 16.81

### **16.82 Lien.**

The authority shall file a lien on the property for which an interest reduction payment is made in the amount of the payment. The lien shall be filed in the recorder's office of the county in which the property is located.

83 Acts, ch 124, § 11

CS83, § 220.82

C93, § 16.82

### **16.83 Recapture of interest reduction payment.**

1. A mortgagor shall repay the authority the lesser of the amount of interest reduction payment actually paid by the authority on behalf of the mortgagor or fifty percent of the net appreciation of the property. The term "*net appreciation of the property*" as used in this section means an increase in the value of the property over the purchase price less the reasonable costs of sale and the reasonable costs of improvements made to the property.

2. Repayment shall be made when any of the following occur:

- a. The mortgagor sells or otherwise transfers the property. However, repayment is not required if the transfer is to the surviving spouse of the mortgagor upon the mortgagor's death.
- b. The mortgagor rents the property for more than twelve months.
- c. The mortgagor requests the authority to release the lien on the property.
- d. The mortgage lender files a court action to foreclose on the mortgage. However, the authority may abate payment pending the outcome of the foreclosure action.

83 Acts, ch 124, § 12

CS83, § 220.83

C93, § 16.83

### **16.84 Rules.**

The authority shall adopt rules pursuant to chapter 17A for the administration of the residential mortgage interest reduction program. The rules shall include, but are not limited to, the following:

1. Standards for eligibility of a mortgagor including a minimum down payment or interest in the property.

2. Standards for the eligibility of the property.
3. Procedures for application to participate in the program.
4. Procedures for payment of the interest reduction payment to the mortgage lender or mortgage investor.
5. Standards for determining the amount of interest reduction that will be approved.
6. Schedules of fees and charges to be imposed by the authority.

83 Acts, ch 124, § 13

CS83, § 220.84

C93, § 16.84

**16.85 through 16.90** Reserved.

**16.91 Title guaranty program.**

1. The authority through the title guaranty division shall initiate and operate a program in which the division shall offer guaranties of real property titles in this state. The terms, conditions and form of the guaranty contract shall be forms approved by the division board. The division shall fix a charge for the guaranty in an amount sufficient to permit the program to operate on a self-sustaining basis, including payment of administrative costs and the maintenance of an adequate reserve against claims under the title guaranty program. A title guaranty fund is created in the office of the treasurer of state. Funds collected under this program shall be placed in the title guaranty fund and are available to pay all claims, necessary reserves and all administrative costs of the title guaranty program. Moneys in the fund shall not revert to the general fund and interest on the moneys in the fund shall be transferred to the department of economic development for deposit in the local housing assistance program fund established in section 15.354 and shall not accrue to the general fund. If the authority board in consultation with the division board determines that there are surplus funds in the title guaranty fund after providing for adequate reserves and operating expenses of the division, the surplus funds shall be transferred to the housing program fund created pursuant to section 16.40.
2. A title guaranty, closing protection letter, or gap coverage issued under this program is an obligation of the division only and claims are payable solely and only out of the moneys, assets, and revenues of the title guaranty fund and are not an indebtedness or liability of the state. The state is not liable on any guaranty, closing protection letter, or gap coverage.
3. With the approval of the authority board the division and its board shall consult with the insurance division of the department of commerce in developing a guaranty contract acceptable to the secondary market and developing any other feature of the program with which the insurance division may have special expertise. The insurance division shall establish the amount for a loss reserve fund. Except as provided in this subsection, the title guaranty program is not subject to the jurisdiction of or regulation by the insurance division or the commissioner of insurance.
4. Each participating attorney and abstractor may be required to pay an annual participation fee to be eligible to participate in the title guaranty program. The fee, if any, shall be set by the division, subject to the approval of the authority.
5. The participation of abstractors and attorneys shall be in accordance with rules established by the division and adopted by the authority pursuant to chapter 17A. Each participant shall at all times maintain liability coverage in amounts approved by the division. Upon payment of a claim by the division, the division shall be

subrogated to the rights of the claimant against all persons relating to the claim.

Additionally, each participating abstractor is required to own or lease, and maintain and use in the preparation of abstracts, an up-to-date abstract title plant including tract indices for real estate for each county in which abstracts are prepared for real property titles guaranteed by the division. The tract indices shall contain a reference to all instruments affecting the real estate which are recorded in the office of the county recorder, and shall commence not less than forty years prior to the date the abstractor commences participation in the title guaranty program. However, a participating attorney providing abstract services continuously from November 12, 1986, to the date of application, either personally or through persons under the attorney's supervision and control is exempt from the requirements of this paragraph.

The division may waive the requirements of this subsection pursuant to an application of an attorney or abstractor which shows that the requirements impose a hardship to the attorney or abstractor and that the waiver clearly is in the public interest or is absolutely necessary to ensure availability of title guaranties throughout the state.

6. Prior to the issuance of a title guaranty, the division shall require evidence that an abstract of title to the property in question has been brought up-to-date and certified by a participating abstractor in a form approved by division rules and a title opinion issued by a participating attorney in the form approved in the rules stating the attorney's opinion as to the title. The division shall require evidence of the abstract being brought up-to-date and the abstractor shall retain evidence of the abstract as determined by the board.

7. The attorney rendering a title opinion shall be authorized to issue a title guaranty certificate subject to the rules of the authority.

8. The authority shall adopt rules pursuant to chapter 17A that are necessary for the implementation of the title guaranty program as established by the division and that have been approved by the authority.

85 Acts, ch 252, § 30

CS85, § 220.91

87 Acts, ch 75, § 1; 88 Acts, ch 1145, § 25; 92 Acts, ch 1090, § 1

C93, § 16.91

97 Acts, ch 214, §6; 2000 Acts, ch 1166, §1

### **16.92 Real estate transfer mortgage release certificate.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

a. *"Division"* means the title guaranty division in the Iowa finance authority.

b. *"Mortgage"* means a mortgage or mortgage lien on an interest in real property in this state given to secure a loan in an original principal amount of five hundred thousand dollars or less.

c. *"Mortgagee"* means the grantee of a mortgage. If a mortgage has been assigned of record, the mortgagee is the last person to whom the mortgage is assigned of record.

d. *"Mortgage servicer"* means the mortgagee or a person other than the mortgagee to whom a mortgagor or the mortgagor's successor in interest is instructed by the mortgagee to send payments on a loan secured by the mortgage. A person transmitting a payoff statement for a mortgage is the mortgage servicer for purposes of

such mortgage.

*e. "Mortgagor"* means the grantor of a mortgage.

*f. "Payoff statement"* means a written statement furnished by the mortgage servicer which sets forth all of the following:

(1) The unpaid balance of the loan secured by a mortgage, including principal, interest, and any other charges properly due under or secured by the mortgage, or the amount required to be paid in order to release or partially release the mortgage.

(2) Interest on a per-day basis for an amount set forth pursuant to subparagraph (1).

(3) The address where payment is to be sent or other specific instructions for making a payment.

(4) If after payment of the unpaid balance of the loan secured by the mortgage, the mortgage continues to secure any unpaid obligation due the mortgagee or any unfunded commitment by the mortgagor to the mortgagee, the legal description of the property that will be released from the mortgage.

*g. "Real estate lender or closer"* means a person licensed to regularly lend moneys to be secured by a mortgage on real property in this state, a licensed real estate broker, or a licensed attorney.

*2. Execution of certificate of release.* A duly authorized officer or employee of the division may execute and record a certificate of release in the real property records of each county in which a mortgage is recorded as provided in this section if all of the following are satisfied:

*a.* The real estate lender or closer has certified in writing to the division all of the following:

(1) That the payoff statement satisfies one of the following:

(a) The statement does not indicate that the mortgage continues to secure an unpaid obligation due the mortgagee or an unfunded commitment by the mortgagor to the mortgagee.

(b) The statement contains the legal description of the property to be released from the mortgage.

(2) That payment was made in accordance with the payoff statement, including a statement as to the date the payment was received by the mortgagee or mortgage servicer, as evidenced by one or more of the following in the records of the real estate lender or closer or its agent:

(a) A bank check, certified check, escrow account check, real estate broker trust account check, or attorney trust account check that was negotiated by the mortgagee or mortgage servicer.

(b) Other documentary evidence of payment to the mortgagee or mortgage servicer.

(3) That more than thirty days have elapsed since the date the payment was sent.

*b.* The division determines that an effective satisfaction or release of the mortgage has not been executed and recorded within thirty days after the date payment was sent or otherwise made in accordance with a payoff statement.

*c.* The division, at least thirty days prior to executing the certificate of release, sends by certified mail, to the last known address of the mortgage servicer, written notice of its intention to execute and record a certificate of release pursuant to this section after expiration of the thirty-day period following the sending of such

notice, including instructions to notify the division of any reason why the certificate of release should not be executed and recorded. If, prior to executing and recording the certificate of release, the division receives written notification setting forth a reason satisfactory to the division why the certificate of release should not be executed and recorded by the division, the division shall not execute and record the certificate of release.

3. *Contents.* A certificate of release executed under this section must contain substantially the information set forth as follows:

a. The name of the mortgagor; the name of the original mortgagee, and, if applicable, the mortgage servicer; the date of the mortgage; the date of recording, including the volume and page or other applicable recording information in the real property records where the mortgage is recorded, and the same information for the last recorded assignment of the mortgage.

b. A statement that the original mortgage principal was in an amount of five hundred thousand dollars or less.

c. A statement that the person executing the certificate of release is a duly authorized officer or employee of the division.

d. A statement indicating one of the following:

(1) That the mortgage servicer provided a payoff statement that was used to make payment, and that does not indicate that the mortgage continues to secure any unpaid obligation due the mortgagee or any unfunded commitment by the mortgagor to the mortgagee.

(2) A statement that the certificate is a partial release of the mortgage and the legal description of the property that will be released from the mortgage.

e. A statement that payment was made in accordance with the payoff statement, and the date the payment was received by the mortgagee or mortgage servicer, as evidenced by one or more of the following in the records of the real estate lender or closer or its agent:

(1) A bank check, certified check, escrow account check, real estate broker trust account check, or attorney trust account check that was negotiated by the mortgagee or mortgage servicer.

(2) Other documentary evidence of payment to the mortgagee or mortgage servicer.

f. A statement that more than thirty days have elapsed since the date payment in accordance with the payoff statement was sent.

g. A statement that the division has sent the thirty-day notice required under subsection 2, paragraph "c", and that thirty days have elapsed since the date the notice was sent.

h. A statement that the division has not received written notification of any reason satisfactory to the division why the certificate of release should not be executed and recorded after the expiration of the thirty-day notice period under subsection 2, paragraph "c".

4. *Execution.* A certificate of release under this section shall be executed and acknowledged in the same manner as required by law for the execution of a deed.

5. *Effect.*

a. For purposes of a release or partial release of the mortgage, a certificate of release executed under this section that contains the information and statements required under subsection 3 is prima facie evidence of

the facts contained in such release or partial release, is entitled to be recorded with the county recorder where the mortgage is recorded, operates as a release or partial release of the mortgage described in the certificate of release, and may be relied upon by any person who owns or subsequently acquires an interest in the property released from the mortgage. The county recorder shall rely upon the certificate of release to release the mortgage.

*b.* Recording of a wrongful or erroneous certificate of release by the division shall not relieve the mortgagor, or the mortgagor's successors or assigns on the debt, from personal liability on the loan or on other obligations secured by the mortgage.

*c.* In addition to any other remedy provided by law, if the division wrongfully or erroneously records a certificate of release under this section, the division is liable to the mortgagee and mortgage servicer for actual damages sustained due to the recording of the certificate of release.

*d.* Upon payment of a claim relating to the recording of a certificate of release, the division is subrogated to the rights of the claimant against all persons relating to the claim.

*6. Recording.* If a mortgage is recorded in more than one county and a certificate of release or partial release is recorded in one of them, a certified copy of the certificate of release may be recorded in another county with the same effect as the original. In all cases, the certificate of release or partial release shall be entered and indexed in the manner that a satisfaction of mortgage is entered and indexed.

#### *7. Prior mortgages.*

*a.* If the real estate lender or closer has notified the division that a mortgage has been paid in full by someone other than the real estate lender or closer, or was paid by the real estate lender or closer under a previous transaction, and an effective release has not been filed of record, the division may execute and record a certificate of release without certification by the real estate lender or closer that payment was made pursuant to a payoff statement and the date payment was received by the mortgagee. A certificate of release filed pursuant to this subsection is subject to the requirements of subsection 2, paragraph "c".

*b.* For purposes of this subsection, an effective release has not been filed of record if it appears that a mortgagee in the record chain of title to the mortgage has not, either on the mortgagee's own behalf or by the mortgagee's duly appointed servicer or attorney in fact as established of record by a filed servicing agreement or power of attorney, filed of record either an assignment of the mortgage to another mortgagee in the record chain of title to the mortgage or a release of the mortgagee's interest in the mortgage. For the purposes of this subsection and subsection 2, paragraph "c", "*mortgage servicer*" includes a mortgagee for which an effective release has not been filed of record as provided in this paragraph.

*8. Application.* This section applies only to a mortgage in an original principal amount of five hundred thousand dollars or less.

99 Acts, ch 54, §1; 2000 Acts, ch 1166, §25; 2001 Acts, ch 24, §15

#### **16.93 Closing protection letters.**

1. The authority through the title guaranty division may issue a closing protection letter to a person to whom a proposed title guaranty is to be issued, upon the request of the person, if the division issues a commitment for title guaranty or title guaranty certificate. The closing protection letter shall conform to the terms of coverage and form of the instrument as approved by the division board and may indemnify a person to whom a proposed title guaranty is to be issued against loss of settlement funds due to only the following acts of the division's named participating attorney or participating abstractor:



*a.* Theft of settlement funds.

*b.* Failure by the participating attorney or participating abstractor to comply with written closing instructions of the person to whom a proposed title guaranty is to be issued relating to title certificate coverage when agreed to by the participating attorney or participating abstractor.

2. A closing protection letter shall only be issued to a person to whom a proposed title guaranty is to be issued for real property transactions in which the division has committed to issue an owner or lender certificate and for which the division receives a premium and other payments or fees for a title guaranty certificate or other coverage.

3. The division board shall establish the amount of coverage to be provided and may distinguish between classes of property including, but not limited to, residential, agricultural, or commercial, provided that the total amount of coverage provided by the closing protection letter shall not exceed the amount of the commitment or title guaranty to be issued. Liability under the closing protection letter shall be coextensive with liability under the certificate to be issued in connection with a transaction such that payments under the terms of the closing protection letter shall reduce by the same amount the liability under the title guaranty certificate and payment under the title guaranty certificate shall reduce the liability under the terms of the closing protection letter.

4. The division may adopt a required fee for providing closing protection letter coverage.

5. The division shall not provide any other coverage which purports to indemnify against improper acts or omissions of a person with regard to escrow, settlement, or closing services.

6. The authority shall adopt rules pursuant to chapter 17A as necessary to administer this section.

2000 Acts, ch 1166, §6

**16.94 through 16.99** Reserved.

**16.100 Housing improvement fund program.**

1. A housing improvement fund is created within the authority. The moneys in the housing improvement fund are annually appropriated to the authority which shall allocate the available funds among and within the programs authorized by this section. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in the fund on June 30 of any fiscal year shall not revert to any other fund but shall be available for expenditure for subsequent fiscal years. Notwithstanding section 12C.7, interest or earnings on moneys in the fund or appropriated to the fund shall be credited to the fund. The authority may expend up to four percent of the moneys appropriated for the programs in this section for administrative costs of the authority for those programs. The authority may provide financial assistance to a housing sponsor or an individual in the form of loans, guarantees, grants, interest subsidies, or by other means for the programs authorized by this section.

2. By rule, the authority shall establish the following financial assistance programs and provide the requirements for their proper administration:

*a.* A home maintenance and repair program providing repair services to families which include persons who are elderly or persons with disabilities and which qualify as lower income or very low income families.

*b.* A rental rehabilitation program for the construction or rehabilitation of single or multifamily rental properties leased to lower income or very low income families.

*c.* A home ownership incentive program to help lower income and very low income families achieve single

family home ownership. Funds provided under this program shall not be restricted to first-time home buyers but shall be limited to mortgages under fifty-five thousand dollars, except in those areas of the state where the median price of homes exceeds the state average. The assistance provided shall include at least one of the following kinds of assistance:

- (1) Closing costs assistance.
- (2) Down payment assistance.
- (3) Home maintenance and repair assistance.
- (4) Loan processing assistance through a loan endorser review contractor who acts on behalf of the authority in assisting lenders in processing loans that will qualify for government insurance or guarantee or for financing under the authority's mortgage revenue bond program.
- (5) Mortgage insurance program.

Five percent of the moneys expended under this program shall be used to finance the purchase or acquisition, in communities with a population of less than ten thousand, of manufactured homes as defined in 42 U.S.C. § 5403. Moneys available for this purpose which are unencumbered or unobligated at the end of the fiscal year shall revert to the housing improvement fund for reallocation for the next fiscal year.

Not more than fifty percent of the assistance provided under this program shall be provided under subparagraphs (4) and (5). So long as at least one of the kinds of assistance described in subparagraphs (1) through (5) is provided, additional assistance not described in subparagraphs (1) through (5) may also be provided.

3. The authority shall coordinate the programs authorized by this section with the other programs under the jurisdiction of the authority.

4. Each application for financial assistance shall be rated based on local, housing sponsor, and recipient financial commitment, proposals for leveraging other financial assistance, experience with the recipient group involved, consideration for the housing project in the context of overall community needs, including vacancy rate of rental property and ratio of subsidized rental housing to nonsubsidized housing, ability to provide a counseling support system to the recipients, and a demonstrated capability by the housing sponsor to provide follow-up monitoring of recipients to determine if identifiable results have been achieved.

5. For the purposes of this section, "*housing sponsor*" is a for-profit entity, nonprofit corporation, local government, or a joint venture involving a for-profit entity, nonprofit corporation or local government.

6. None of the funds provided to a housing sponsor under this section shall be used for the costs of administration.

7. During each regular session of the general assembly, the authority shall present, to the appropriate appropriations subcommittee, a report concerning the total estimated resources to be available for expenditure under this section for the next fiscal year and the amount the authority proposes to allocate to each program under this section.

8. A homelessness advisory committee is created consisting of the executive director or the executive director's designee, the directors or their designees from the departments of economic development, elder affairs, human services, and human rights, and at least three individuals from the private sector to be selected by the executive director. The advisory committee shall advise the authority in coordinating programs that provide for the homeless.

87 Acts, ch 220, § 1

CS87, § 220.100

88 Acts, ch 1217, § 19; 90 Acts, ch 1262, § 38, 39; 91 Acts, ch 267, §316

C93, § 16.100

96 Acts, ch 1129, §11; 97 Acts, ch 201, §19; 2001 Acts, ch 61, §11

### **16.101 Legislative findings.**

The general assembly finds and declares that:

1. Economic development and expansion of business, industry, and farming in the state is dependent upon the availability of financing of the development and expansion at affordable interest rates.
2. Private financing at low interest rates for small business under the Iowa finance authority small business loan program, for beginning farmers under the agricultural development authority beginning farmer loan program or soil conservation loan program, and for commercial, industrial, and other business enterprises pursuant to chapter 419 is severely limited because of the unattractiveness of tax exempt financing to financial institutions in the state.
3. The pooling of private financing enhances the marketability of the obligations involved and increases access to other state, regional, and national credit markets.
4. The creation of an Iowa economic development bond bank program will make the pooling of private financing available to small businesses, farmers, agricultural landowners and operators, and commercial, industrial, and other business enterprises at favorable interest rates with reduced marketing costs.
5. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted.

86 Acts, ch 1212, § 2

C87, § 220.101

C93, § 16.101

### **16.102 Establishment of bond bank program bonds and notes projects.**

The authority shall assist the development and expansion of family farming, soil conservation, housing, and business in the state through the establishment of the Iowa economic development bond bank program. The authority may issue its bonds or notes, or series of bonds or notes for the purpose of defraying the cost of one or more projects and make secured and unsecured loans for the acquisition and construction of projects on terms the authority determines. For purposes of this section, projects shall include any of the following:

1. A project defined in section 16.1, subsection 30, for which loans may be made by the authority pursuant to the small business loan program.
2. The acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers for the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment, or any other purpose for which loans may be made by the Iowa agricultural

development authority pursuant to chapter 175.

3. A project defined in section 419.1, subsection 12, for which bonds or notes may be issued by a city or a county.

86 Acts, ch 1212, § 3

C87, § 220.102

C93, § 16.102

### **16.103 Iowa economic development bond bank program specific powers.**

In carrying out the Iowa economic development bond bank program, the authority may do any of the following:

1. Make secured and unsecured loans for both the acquisition and the construction of projects on terms the authority determines. Any loan made with respect to any project for which a loan may be made pursuant to chapter 175 shall be made only upon the request and with the consent of the agricultural development authority. The loans may be made to any person or entity including, but not limited to, a city, a county, and the agricultural development authority for projects approved by the Iowa finance authority. The Iowa finance authority may take any action which is reasonable and lawful to protect its security and to avoid losses from its loans.

2. Acquire, hold, and mortgage personal property and real estate and interests in real estate to be used as a project.

3. Purchase, construct, improve, furnish, equip, lease, option, sell, exchange, or otherwise dispose of one or more projects under the terms the authority determines. However, in the lease, sale, or loan agreement relating to a project, the authority shall provide for adequate maintenance of the project.

4. Grant a mortgage, lien, pledge, assignment, or other encumbrance on one or more projects, revenues, or reserve or other funds established in connection with obligations, or with respect to a lease, sale, or loan relating to one or more projects, or a guaranty or insurance agreement relating to one or more projects, or a secured or unsecured interest of the authority in one or more projects or parts of one or more projects.

5. Provide that the interest on obligations may vary in accordance with a base or formula authorized by the authority.

6. Contract for the acquisition, construction, or both of one or more projects or parts of one or more projects and for the leasing, subleasing, sale, or other disposition of one or more projects in a manner determined by the authority.

86 Acts, ch 1212, § 4

C87, § 220.103

C93, § 16.103

### **16.104 Loan agreements.**

1. The authority may enter into loan agreements with one or more borrowers to finance in whole or in part the acquisition of one or more projects by construction or purchase. The repayment obligation of the borrower or

borrowers may be unsecured, secured by a mortgage or security agreement, or secured by other security as the authority deems advisable. The repayment obligation may be evidenced by one or more notes of the borrower or borrowers. The loan agreements may contain terms and conditions the authority deems advisable.

2. The authority may issue its bonds and notes for the projects set forth in section 16.102 and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee or agent designated by the authority may enter into agreements to provide for any of the following:

- a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.
- b.* That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amounts payable under the loan agreements or any other security instruments securing the debt obligations of the borrower or borrowers.
- c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreements or security instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or security instruments, the payment or performance may be enforced in accordance with the loan agreement or security instrument.
- d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or if there is a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced. Collateral may be sold under proceedings or actions permitted by law. A trustee under the mortgage or security agreement or the holder of any bonds or notes secured by the mortgage or security agreement may become a purchaser if the trustee or holder is the highest bidder.
- e.* Other terms and conditions as deemed necessary or appropriate by the authority.

86 Acts, ch 1212, § 5

C87, § 220.104

87 Acts, ch 115, § 33

C93, § 16.104

#### **16.105 Security for bonds reserve funds validity of pledge nonliability irrevocable contracts.**

1. The authority may provide in the resolution authorizing the issuance of its bonds or notes for the Iowa economic development bond bank program that the principal of, premium, if any, and interest on the bonds or notes are payable exclusively from any of the following:

- a.* The income and receipts or other money derived from the projects financed with the proceeds of the bonds or notes.
- b.* The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

c. The authority's income and receipts of other assets generally, or a designated part or parts of them.

2. For the purpose of securing one or more issues of its bonds or notes, the authority may establish one or more special funds, called "*capital reserve funds*". The authority may pay into the capital reserve funds the proceeds of the sale of its bonds or notes and other money which may be made available to the authority from other sources for the purposes of the capital reserve funds. Except as provided in this section, money in a capital reserve fund shall be used only as required for any of the following:

a. The payment of the principal of and interest on bonds or notes or of the sinking fund payments with respect to those bonds or notes.

b. The purchase or redemption of the bonds or notes.

c. The payment of a redemption premium required to be paid when the bonds or notes are redeemed before maturity.

However, money in a capital reserve fund shall not be withdrawn if the withdrawal would reduce the amount in the capital reserve fund to less than the capital reserve fund requirement, except for the purpose of making payment, when due, of principal, interest, redemption premiums on the bonds or notes, and making sinking fund payments when other money pledged to the payment of the bonds or notes is not available for the payments. Income or interest earned by, or increment to, a capital reserve fund from the investment of all or part of the fund may be transferred by the authority to other funds or accounts of the authority if the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

3. If the authority decides to issue bonds or notes secured by a capital reserve fund, the bonds or notes shall not be issued if the amount in the capital reserve fund is less than the capital reserve fund requirement, unless at the time of issuance of the bonds or notes the authority deposits in the capital reserve fund from the proceeds of the bonds or notes to be issued or from other sources, an amount which, together with the amount then in the fund, is not less than the capital reserve fund requirement.

4. In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the fund is invested shall be valued by a reasonable method established by the authority by resolution. Valuation shall include the amount of interest earned or accrued as of the date of valuation.

5. In this section, "*capital reserve fund requirement*" means the amount required to be on deposit in the capital reserve fund as of the date of computation as determined by resolution of the authority.

6. To assure maintenance of the capital reserve funds, the chairperson of the authority shall, on or before July 1 of each calendar year, make and deliver to the governor the chairperson's certificate stating the sum, if any, required to restore each capital reserve fund to the capital reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including the sum, if any, required to restore each capital reserve fund to the capital reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable capital reserve fund.

7. All amounts paid to the authority by the state pursuant to this section shall be considered advances by the state to the authority and, subject to the rights of the holders of any bonds or notes of the authority that have previously been issued or will be issued, shall be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, notes, or obligations of the authority, the capital reserve fund, and operating expenses.

8. If any amount deposited in a capital reserve fund is withdrawn for payment of principal, premium, or

interest on the bonds or notes or sinking fund payments with respect to bonds or notes thus reducing the amount of that fund to less than the capital reserve fund requirement, the authority shall immediately notify the general assembly of this event and shall take steps to restore the capital reserve fund to the capital reserve fund requirement for that fund from any amounts designated as being available for such purpose.

9. The authority may establish reserve funds, other than capital reserve funds, to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection the proceeds of the sale of its bonds or notes and other money which is made available from any other source. The authority may allow a reserve fund established under this subsection to be depleted without complying with subsection 6 or subsection 8.

10. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code to be valid, binding, or effective against the parties.

11. Neither the members of the authority nor a person executing the bonds or notes are liable personally on the bonds or notes or are subject to personal liability or accountability by reason of the issuance of the bonds or notes.

12. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state, except the authority, and are payable solely from the income and receipts or other funds or property of the authority which are designated in the resolution of the authority authorizing the issuance of the bonds or notes as being available as security for bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state, except the authority, to the payment of a bond or note. The issuance of a bond or note by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bond or note.

13. The state pledges to and agrees with the holders of bonds or notes issued under the Iowa economic development bond bank program, that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds and notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

86 Acts, ch 1212, § 6

C87, § 220.105

C93, § 16.105

### **16.106 Adoption of rules.**

The board of directors of the authority shall adopt rules pursuant to chapter 17A to implement sections 16.101 through 16.105.

86 Acts, ch 1212, § 7

C87, § 220.106

C93, § 16.106

**16.107 Infrastructure loan program.** Repealed by 2001 Acts, ch 61, § 19.

**16.108 through 16.120** Reserved.

**16.121 Legislative findings purposes public policy.**

1. The general assembly finds and declares as follows:

*a.* The economy of the state of Iowa and opportunities for employment within the state are increasingly dependent upon the international exports of Iowa manufactured goods and services and the growth of international export markets for those manufactured goods and services.

*b.* Other states have utilized or are preparing to utilize the resources of their state governments to stimulate, facilitate, and promote international exports.

*c.* Competition among businesses and countries will endure and intensify as more countries seek to expand their international export capacities.

*d.* Expanding international export markets is essential in order to maintain a vigorous and growing economy and to provide adequate job opportunities for Iowa citizens.

*e.* Iowa has a responsibility to create employment opportunities by encouraging and stimulating the development of international export sales and markets by export businesses.

*f.* Iowa export businesses find it increasingly difficult to compete with foreign exporters which benefit from their governmentally supported financing programs.

*g.* Increased export sales may best be stimulated by making financial assistance available to export businesses to develop and expand international export markets and to ensure the competitiveness of Iowa products and services in foreign markets, thereby increasing employment opportunities available to the citizens of Iowa.

*h.* Export businesses seeking to enter foreign markets face severe problems financing and insuring their transactions.

*i.* Export business expansion and development is dependent upon the availability of financing for expansion at interest rates, terms, and conditions which are reasonable to export businesses.

*j.* Private and public financing for export businesses with reasonable rates, terms, and conditions is unavailable to assist export business expansion and development.

*k.* The Iowa export business finance program is necessary to encourage the investment of private capital in export business expansion and development.

2. The purposes of the export business finance program are to:

*a.* Promote the business prosperity and economic welfare of Iowa and Iowans.



b. Provide financial assistance for the location of new or the expansion of existing export businesses in Iowa through the sale of bonds and notes, subsidies, loans, guarantees, insurance, grants, investments, contracts, or other transactions.

c. Provide employment opportunities and thereby improve the standard of living of Iowans.

d. Promote industrial, commercial, and recreational development in Iowa.

3. All of the purposes stated in this section are public purposes and uses for which public moneys provided by the sale of bonds and notes, or otherwise available through appropriations, grants, contributions, or declared surplus moneys may be used.

4. It is the public policy of the state through the establishment of the export business finance program to promote the economic welfare of Iowans and to improve employment opportunities for Iowans. To advance the public policy the authority may provide financial assistance for export businesses through the sale of bonds and notes, loans, guarantees, insurance, grants, subsidies, investments, contracts, or other transactions.

87 Acts, ch 141, § 3

CS87, § 220.121

C93, § 16.121

#### **16.122 Iowa export business finance program.**

The authority shall initiate a program to assist the development and expansion of export business in the state. The authority may issue bonds and notes the proceeds of which shall be used to provide financial assistance for export businesses. The authority may also provide financial assistance to export businesses through the use of loans, guarantees, insurance, grants, subsidies, investments, contracts, or other transactions.

87 Acts, ch 141, § 4

CS87, § 220.122

C93, § 16.122

#### **16.123 Export business finance program powers.**

In assisting Iowa export businesses, the authority has all the powers specified in section 16.5 and in this part including, but not limited to, the following:

1. The authority may provide financial assistance, including guarantees described in subsection 2, to mortgage lenders or export businesses to finance international exports from the state which, in the judgment of the authority, will create or maintain employment in Iowa. Financial assistance shall only be provided where at least twenty-five percent of the value of the international exports is derived from goods or services whose final production process occurs in the state. The authority may charge reasonable fees for providing financial assistance.

2. The authority may provide guarantees for international exports against political or commercial loss, in whole or in part, of principal and interest. The guarantees may include, without limitation, insurance against a loss up to a stated amount which shall be set by the authority. Guarantees may include a pool of individual

export transactions. A guarantee entered into by the authority shall not constitute a general obligation of the state of Iowa. Guarantees made by the authority shall not be terminated, canceled, or otherwise revoked except in accordance with the terms of the guarantees.

3. The authority shall provide financial assistance only to the extent that the financial assistance is reasonably necessary to stimulate or facilitate the making of an inter- national export transaction including, without limitation, the making of the international export transaction upon terms which will enable the transaction to be reasonably competitive with transactions in other states or in foreign countries. The authority may condition the provision of financial assistance upon such other terms and conditions as it may deem desirable to carry out the purposes of the program. Prior to providing financial assistance, the participating mortgage lender shall make an investigation of a line of credit to the export business in order to determine its viability, the economic benefits to be derived from the line of credit, the prospects for repayment, and other facts as it deems necessary in order to determine that financial assistance is consistent with the purposes of the program.

87 Acts, ch 141, § 5

CS87, § 220.123

C93, § 16.123

#### **16.124 Advisory board.**

The executive director may appoint a three-member advisory board to advise the authority on matters relating to international exporting and the export business finance pro- gram. Advisory board members shall be selected primarily for knowledge in the areas of international trade, finance, or business management.

87 Acts, ch 141, § 6

CS87, § 220.124

C93, § 16.124

#### **16.125 Coordination of programs.**

The authority shall coordinate with the department of economic development the marketing and educational aspects of the export business finance program. The authority and the department shall also coordinate economic development efforts and existing programs with the export business finance program.

87 Acts, ch 141, § 7

CS87, § 220.125

C93, § 16.125

#### **16.126 through 16.130 Reserved.**

#### **16.131 Iowa water pollution control works and drinking water facilities financing program definitions funding bonds and notes.**

1. The authority shall cooperate with the department of natural resources in the creation, administration, and financing of the Iowa water pollution control works and drinking water facilities financing program established in sections 455B.291 through 455B.299.

2. Terms used in this part have the meanings given them in sections 455B.101 and 455B.291 unless the context requires otherwise.

3. The authority may issue its bonds and notes for the purpose of funding the revolving loan funds created under section 455B.295 and defraying the costs of payment of the twenty percent state matching funds required for federal funds received for projects.

4. The authority may issue its bonds and notes for the purposes established and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

*a.* That the proceeds of the bonds and notes 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 bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, 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.

5. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section except to the extent they are inconsistent with this section.

6. 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.

88 Acts, ch 1217, §20

C89, § 220.131

C93, § 16.131

97 Acts, ch 4, §1; 2002 Acts, 2nd Ex, ch 1003, §234, 262

### **16.132 Security reserve funds pledges nonliability irrevocable contracts.**

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 16.131 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

*a.* The income and receipts or other money derived from the projects financed with the proceeds of the bonds or notes.

*b.* The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

*c.* The amounts on deposit in the revolving loan funds.

*d.* The amounts payable to the department by eligible entities pursuant to loan agreements with eligible entities.

*e.* Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds, to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective against the parties.

4. Neither the members of the authority nor persons executing the bonds or notes are liable personally on the bonds or notes or are subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state within the meaning of any constitutional or statutory debt limitations but are special obligations of the authority, and are payable solely from the income and receipts or other funds or property of the department, and the amounts on deposit in the revolving loan funds, and the amounts payable to the department under its loan agreements with eligible entities as defined in section 455B.291 to the extent that the amounts are designated in the resolution, trust agreement, or other instrument of the authority authorizing the issuance of the bonds or notes as being available as security for such bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state to the payment of any bonds or notes. The issuance of any bonds or notes by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bonds or notes.

6. The state pledges to and agrees with the holders of bonds or notes issued under the Iowa water pollution control works and drinking water facilities financing program, that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

88 Acts, ch 1217, §21

C89, § 220.132

C93, § 16.132

97 Acts, ch 4, §24; 2002 Acts, 2nd Ex, ch 1003, §235, 262; 2003 Acts, ch 44, §15, 114

**16.133 Adoption of rules.**

The authority shall adopt rules pursuant to chapter 17A to implement sections 16.131 and 16.132.

88 Acts, ch 1217, §22

C89, § 220.133

C93, § 16.133

**16.134 through 16.140** Reserved.

**16.141 through 16.143** Repealed by 2001 Acts, ch 61, § 19.

**16.144 through 16.150** Reserved.

**16.151 Authority to issue Iowa tank assistance bonds.**

The authority shall assist the Iowa comprehensive petroleum underground storage tank fund as provided in chapter 455G and the authority shall have all of the powers that the Iowa comprehensive petroleum underground storage tank fund board possesses and which that board delegates to the authority in a chapter 28E agreement or a contract between the authority and the Iowa comprehensive petroleum underground storage tank fund board with respect to the issuance and securing of bonds and carrying out the purposes of chapter 455G.

89 Acts, ch 131, § 12

CS89, § 220.151

C93, § 16.151

**16.152 through 16.154** Reserved.

**16.155 Residential treatment facilities.**

1. The authority may issue its bonds and notes and loan the proceeds of the bonds or notes to a nonprofit corporation for the purpose of financing the acquisition or construction of residential housing or treatment facilities serving juveniles or persons with disabilities.
2. The authority may enter into a loan agreement with a nonprofit corporation for the purpose of financing the acquisition or construction of residential housing or treatment facilities serving juveniles or persons with disabilities and shall provide for payment of the loan and security for the loan as the authority deems advisable.
3. In the resolution authorizing the issuance of the bonds or notes pursuant to this section, the authority may provide that the related principal and interest are limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the nonprofit corporation, and the principal or interest does not constitute an indebtedness of the authority or a charge against the authority's general credit or general fund.

4. The powers granted the authority under this section are in addition to the authority's other powers under this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued pursuant to, and powers granted to the authority under this section, except to the extent the provisions are inconsistent with this section.

90 Acts, ch 1239, § 6

C91, § 220.155

C93, § 16.155

96 Acts, ch 1129, § 113

**16.156 through 16.160** Reserved.

**16.161 Authority to issue E911 program bonds and notes.**

The authority shall assist the administrator, appointed pursuant to section 34A.2A, as provided in chapter 34A, subchapter II, and the authority shall have all of the powers delegated to it by a joint E911 service board or the department of public defense in a chapter 28E agreement with respect to the issuance and securing of bonds or notes and the carrying out of the purposes of chapter 34A.

The authority shall provide a mechanism for the pooling of funds of two or more joint E911 service boards to be used for the joint purchasing of necessary equipment and reimbursement of land-line and wireless service providers' costs for upgrades necessary to provide E911 service. When two or more joint E911 service boards have agreed to pool funds for the purpose of purchasing necessary equipment to be used in providing E911 service, the authority shall issue bonds and notes as provided in sections 34A.20 through 34A.22.

90 Acts, ch 1144, § 5

C91, § 220.161

C93, § 16.161

98 Acts, ch 1101, §1, 2, 16; 99 Acts, ch 96, §3

**16.162 Authority to issue community college dormitory bonds and notes.**

The authority shall assist a community college or the state board for community colleges as provided in chapter 260C, and the authority shall have all of the powers delegated to it in a chapter 28E agreement by a community college board of directors, the state board for community colleges, or a private developer contracting with a community college to develop a housing facility, such as a dormitory, for the community college, with respect to the issuance or securing of bonds or notes as provided in sections 260C.71 and 260C.72.

90 Acts, ch 1253, § 75; 90 Acts, ch 1254, § 5

C91, § 220.162

C93, § 16.162

**16.163 through 16.170** Reserved.

**16.171 through 16.176** Repealed by 92 Acts, ch 1001, §7.

**16.177 Prison infrastructure revenue bonds.**

1. The authority is authorized to issue its bonds to provide prison infrastructure financing as provided in this section. The bonds may only be issued to finance projects which have been approved for financing by the general assembly. Bonds may be issued in order to fund the construction and equipping of a project or projects, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds and other expenditures incident to or necessary or convenient to carry out the bond issue. The bonds are investment securities and negotiable instruments within the meaning of and for the purposes of the uniform commercial code.
2. The department of corrections is authorized to pledge amounts in the Iowa prison infrastructure fund established under section 602.8108A as security for the payment of the principal of, premium, if any, and interest on the bonds. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the fund, all of which may be deposited with trustees or depositories in accordance with bond or security documents, and are not an indebtedness of this state or the authority, or a charge against the general credit or general fund of the state or the authority, and the state shall not be liable for the bonds except from amounts on deposit in the fund. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state or the authority.
3. The proceeds of bonds issued by the authority and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested in any investment approved by the authority and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.
4. The bonds shall be:
  - a. In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.
  - b. Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the authority. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.
  - c. Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.
5. The bonds are securities in which public officers and bodies of this state, political subdivisions of this state, insurance companies and associations and other persons carrying on an insurance business, banks, trust companies, savings associations, savings and loan associations, and investment companies, administrators, guardians, executors, trustees, and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.
6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the authority. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the issuer the power to negotiate and fix the details of an issue of bonds.
7. Neither the resolution or trust agreement, nor any other instrument by which a pledge is created is required

to be recorded or filed under the uniform commercial code to be valid, binding, or effective.

8. Bonds issued under this section are declared to be issued for an essential public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. The authority shall cooperate with the department of corrections in the implementation of this section.

94 Acts, ch 1196, §20; 95 Acts, ch 202, § 11

**16.178 through 16.180** Reserved.

**16.181 Housing trust fund.**

1. *a.* A housing trust fund is created within the authority. The moneys in the housing trust fund are annually appropriated to the authority to be used for the development and preservation of affordable housing for low-income people in the state. Payment of interest, recaptures of awards, or other repayments to the housing trust fund shall be deposited in the fund. Notwithstanding section 12C.7, interest or earnings on moneys in the housing trust fund or appropriated to the fund shall be credited to the fund. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the fund at the close of each fiscal year shall not revert but shall remain available for expenditure for the same purposes in the succeeding fiscal year.

*b.* Assets in the housing trust fund shall consist of all of the following:

(1) Any assets received by the authority from the Iowa housing corporation.

(2) Any assets transferred by the authority for deposit in the housing trust fund.

(3) Any other moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the housing trust fund.

*c.* The authority shall create the following programs within the housing trust fund:

(1) Local housing trust fund program. Sixty percent of available moneys in the housing trust fund shall be allocated for the local housing trust fund program. Any moneys remaining in the local housing trust fund program on April 1 of each fiscal year which have not been awarded to a local housing trust fund may be transferred to the project-based housing program at any time prior to the end of the fiscal year.

(2) Project-based housing program. Forty percent of the available moneys in the housing trust fund shall be allocated to the project-based housing program.

2. *a.* In order to be eligible to apply for funding from the local housing trust fund program, a local housing trust fund must be approved by the authority and have all of the following:

(1) A local governing board recognized by the city, county, council of governments, or regional officials as the board responsible for coordinating local housing programs.

(2) A housing assistance plan approved by the authority.

(3) Sufficient administrative capacity in regard to housing programs.

(4) A local match requirement approved by the authority.



*b.* An award from the local housing trust fund program shall not exceed ten percent of the balance in the program at the beginning of the fiscal year plus ten percent of any deposits made during the fiscal year.

*c.* By December 31 of each year, a local housing trust fund receiving moneys from the local housing trust fund program shall submit a report to the authority itemizing expenditures of the awarded moneys.

3. In an area where no local housing trust fund exists, a person may apply for moneys from the project-based housing program.

4. The authority shall adopt rules pursuant to chapter 17A necessary to administer this section.

2003 Acts, ch 179, §101

Coordination of federal funding received by department of economic development for the community development block grant program and for the HOME investment partnership program with projects under this section; 2003 Acts, ch 179, § 155

**16.182 through 16.186** Repealed by 94 Acts, ch 1155, § 7.