

CHAPTER 16

IOWA FINANCE AUTHORITY

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

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16.1 Definitions.

1. As used in [this chapter](#), unless the context otherwise requires:

a. 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.

b. “*Authority*” means the Iowa finance authority established in [section 16.2](#).

c. “*Bond*” means a bond issued by the authority pursuant to [sections 16.26 to 16.30](#), and includes a note or other instrument evidencing a debt authorized or referred to in [this chapter](#).

d. “*Child foster care facilities*” means the same as defined in [section 237.1](#).

e. “*Cost*” as applied to economic development 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 the greater of eighteen months or the period authorized to be capitalized under applicable provisions of the Internal Revenue Code 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 to be paid into any special funds from the proceeds of bonds issued for the project, and the financing of the placing of a project in operation. It also means all grants, payments, and amounts necessary to pay or refund outstanding bonds and all costs for which federally tax-exempt bonds may be issued under the Internal Revenue Code.

f. “*Dilapidated*” means decayed, deteriorated, or fallen into partial disuse through neglect or misuse.

g. “*Displaced*” means displaced by governmental action, or by having one’s dwelling extensively damaged or destroyed as a result of a disaster.

h. “*Division*” means the title guaranty division.

i. “*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.

j. (1) “*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.

(2) “*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.

k. "Goals" means legislative goals and policies as articulated in [this chapter](#).

l. "Guiding principles" means the principles provided in [section 16.4](#) which shall be considered for amplification and interpretation of the goals of the authority.

m. "Health care facilities" means those facilities referred to in [section 135C.1, subsection 6](#), which contain fifteen beds or less.

n. (1) "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.

(2) "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.

o. "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](#).

p. "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](#).

q. "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.

r. "Internal Revenue Code" means the Internal Revenue Code of the United States as it may exist at the time of its applicability to the provisions of [this chapter](#).

s. "Legislative findings" or "findings" means the findings established by the general assembly with respect to the authority as provided in [this chapter](#).

t. "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.

u. "Low income housing credit" means the low income housing credit as defined in Internal Revenue Code § 42(a).

v. "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.

w. "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.

x. “*Mortgage-backed security*” means a security issued by the authority which is secured by residential mortgage loans owned by the authority.

y. “*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.

z. “*Mortgage loan*” means a financial obligation secured by a mortgage.

aa. “*Note*” means a bond anticipation note or a housing development fund note issued by the authority pursuant to [this chapter](#). “*Note*” also includes bonds.

ab. “*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.

ac. “*Powers*” means all of the general and specific powers of the authority as provided in [this chapter](#) which shall be broadly and liberally interpreted to authorize the authority to act in accordance with the goals of the authority and in a manner consistent with the legislative findings and guiding principles.

ad. “*Programs*” means any program administered by the authority or any program in which the authority is directed or authorized to participate pursuant to any statute, executive order, or interagency agreement, or any other program participation or administration of which the authority finds useful and convenient to further the goals and purposes of the authority. “*Program*” shall include but not be limited to all of the following:

- (1) The housing assistance payments program.
- (2) The rent supplements program.
- (3) The emergency housing fund program.
- (4) The special housing assistance program.
- (5) The single-family housing program.
- (6) The multifamily housing program.
- (7) The title guaranty program.
- (8) The housing improvement fund program.
- (9) The economic development loan program.
- (10) The Iowa economic development bond bank program.
- (11) The sewage treatment and drinking facilities financing program.
- (12) The Iowa tank assistance bond program.
- (13) The residential treatment facilities program.
- (14) The E-911 program.
- (15) The community college dormitory program.
- (16) The prison infrastructure program.
- (17) The wastewater treatment financial assistance program.

(18) Any other program established by the authority which the authority finds useful and convenient to further goals of the authority and which is consistent with the legislative findings. Such additional programs shall be administered in accordance with the guiding principles of the authority after such notice and hearing as is determined to be reasonable by the authority under the circumstances. Such additional programs shall be administered in accordance with rules, if any, which the authority determines useful and convenient to adopt pursuant to [chapter 17A](#).

ae. “*Project*” means any of the following:

(1) Real or personal property connected with a facility to be acquired, constructed, financed, refinanced, improved, or equipped pursuant to one or more of the programs.

(2) Refunds, loans, refinancings, grants, or other assistance or programs which the authority finds useful and convenient to carry out and further the goals of the authority and the Iowa economic development bond program. In furtherance thereof and not in limitation,

“project” shall include projects for which bonds or notes may be issued by a city or a county pursuant to any power so long as the authority finds it is consistent with the goals and legislative findings of the authority and the Iowa economic development bond program.

(3) Any project for which tax exempt financing is authorized by the Internal Revenue Code, together with any taxable financing necessary or desirable in connection with such project, which the authority finds furthers the goals of the authority and is consistent with the legislative findings.

af. “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.

ag. “Qualified residential housing” means any of the following:

(1) 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.

(2) Residential property qualifying pursuant to section 103(b)(4) of the Internal Revenue Code to be financed with tax exempt residential rental property bonds.

(3) Housing for low or moderate income families, elderly families, and families which include one or more persons with disabilities.

ah. “State agency” means any board, commission, department, public officer, or other agency of the state of Iowa.

ai. “State housing credit ceiling” means the state housing credit ceiling as defined in Internal Revenue Code § 42(h)(3)(C).

aj. “Title guaranty” means a guaranty against loss or damage caused by defective title to real property.

ak. “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.

2. The authority may establish by rule further definitions applicable to [this chapter](#), and clarification of the definitions in [this section](#), as it deems convenient and necessary including any rules 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 bonds pursuant to the Internal Revenue Code or relating to the allowance of low income credits under Internal Revenue Code § 42.

[C77, 79, 81, §220.1; 81 Acts, ch 76, §1; 82 Acts, ch 1173, §1, 2, ch 1187, §1 – 3]

83 Acts, ch 124, §1, 2; 84 Acts, ch 1281, §1 – 5; 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, §5 – 8; 2007 Acts, ch 54, §2 – 10; 2009 Acts, ch 43, §1; 2009 Acts, ch 133, §8

Referred to in [§499A.101](#)

16.2 Establishment of authority.

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 various 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 interests, and any other person specially interested in community housing, finance, or small business.

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.

9. Neither members of the authority, nor persons acting on behalf of the authority while acting within the scope of their agency or employment, are subject to personal liability resulting from carrying out the powers and duties in [this chapter](#).

[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; 2006 Acts, ch 1010, §12; 2007 Acts, ch 22, §10; 2007 Acts, ch 54, §11; 2009 Acts, ch 43, §2

Referred to in [§16.1](#), [16.2A](#), [455B.291](#)

Confirmation, see [§2.32](#)

16.2A Title guaranty division.

1. 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](#).

2. Members of the division board 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.

3. 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.

4. 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.

5. Members of the board and the director shall give bond as required for public officers in [chapter 64](#).

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

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

8. 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 [section 16.2, subsection 8](#).

2007 Acts, ch 54, §12

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. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. The pooling of private financing enhances the marketability of the obligations involved and increases access to other state, regional, and national credit markets.

17. The creation of an Iowa economic development bond bank program as provided in [section 16.102](#) 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.

18. 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.

[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; 2007 Acts, ch 54, §13; 2008 Acts, ch 1031, §16

16.3A Conflicts of interest.

1. *a.* If a member or employee of the authority 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 any action of the authority with respect to that contract or mortgage lender.

b. 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.

c. 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.

2007 Acts, ch 54, §14

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 precatory principles:

1. The authority shall not become an owner of real property constituting a project under any program, 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 strive to 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. When feasible, a local contributing effort may be required of each project assisted by the authority. The local contribution may be provided by local governmental units or by local or regional agencies, public or private. 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 seek to 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 seek to 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. With respect to programs relating to housing, 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.

[C77, 79, 81, §220.4]

C93, §16.4

96 Acts, ch 1129, §113; 2007 Acts, ch 54, §15 – 18

Referred to in §16.1

16.5 General powers.

1. The authority has any and all powers necessary and convenient to carry out its purposes and duties, and exercise its specific powers, including but not limited to the power to:

a. Issue its negotiable bonds and notes as provided in [this chapter](#) in order to finance its programs.

b. Sue and be sued in its own name.

c. Have and alter a corporate seal.

d. Make and alter bylaws for its management consistent with the provisions of [this chapter](#).

e. Make and execute agreements, contracts, and other instruments of any and all types on such terms and conditions as the authority may find necessary or convenient to the purposes of the authority, with any public or private entity, including but not limited to contracts for goods and services. All political subdivisions, public housing agencies, other public agencies and state departments and agencies may enter into contracts and otherwise cooperate with the authority.

f. By rule, adopt procedures relating to competitive bidding, including the identification of those circumstances under which competitive bidding by the authority, either formally or informally, shall be required. In any bidding process, the authority may administer its own bidding and procurement or may utilize the services of the department of administrative services or any other agency. Except when such rules apply, the authority and all contracts made by it in carrying out its public and essential governmental functions with respect to any of its programs shall be exempt from the provisions and requirements of all laws or rules of the state which require competitive bids in connection with the letting of such contracts.

g. 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.

h. Procure insurance against any loss in connection with its operations and property interests.

i. Fix and collect fees and charges for its services.

j. 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](#).

k. 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.

l. Provide technical assistance and counseling related to the authority's purposes, to public and private entities.

m. In cooperation with other local, state, or federal governmental agencies, conduct research studies, develop estimates of unmet housing needs, gather and compile data useful to facilitating decision making, and enter into agreements to carry out programs within or without the state which the authority finds to be consistent with the goals of the authority.

n. Cooperate in the development of and initiate housing demonstration projects.

o. 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.

p. 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.

q. Own or acquire intellectual property rights including but not limited to copyrights,

trademarks, service marks, and patents, and enforce the rights of the authority with respect to such intellectual property rights.

r. Make, alter, and repeal rules consistent with the provisions of [this chapter](#), and subject to [chapter 17A](#).

s. Establish one or more funds within the state treasury under the control of the authority and invest moneys of the authority therein. Notwithstanding [section 8.33](#) or [12C.7](#), or any other provision to the contrary, moneys invested by the treasurer of state pursuant to [this subsection](#) shall not revert to the general fund of the state and interest accrued on the moneys shall be moneys of the authority and shall not be credited to the general fund. For purposes of this paragraph, the treasurer of state shall enter into an agreement with the authority to carry out the provisions of this paragraph.

t. Select projects to receive assistance by the exercise of diligence and care and apply customary and acceptable business and lending standards in the selection and subsequent implementation of such projects.

u. Exercise generally all powers typically exercised by private enterprises engaged in business pursuits unless the exercise of such a power would violate the terms of [this chapter](#) or the Constitution of the State of Iowa.

2. Notwithstanding any other provision of law, any purchase or lease of real property, other than on a temporary basis, when necessary in order to implement the programs of the authority, protect the investments of the authority by means of foreclosure or other means, or to facilitate the transfer of real property for the use of low or moderate income families, shall require written notice from the authority to the government oversight standing committees of the general assembly and the prior approval of the executive council.

3. The powers enumerated in [this section](#) are cumulative of and in addition to those powers enumerated elsewhere in [this chapter](#) and no such powers limit or restrict any other powers of the authority.

4. Notwithstanding any other provision of law, the authority may elect whether to utilize any or all of the goods or services available from other state agencies in the conduct of its affairs. Departments, boards, commissions, or other agencies of the state shall provide reasonable assistance and services to the authority upon the request of the executive director.

[C77, 79, 81, §220.5]

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

C93, §16.5

97 Acts, ch 201, §17; 2004 Acts, ch 1134, §1; 2007 Acts, ch 54, §19; 2008 Acts, ch 1031, §17; 2009 Acts, ch 41, §19

16.5A and 16.5B Repealed by 2007 Acts, ch 54, § 45.

16.5C Specific program powers.

In addition to the general powers of the authority, the authority shall have all powers convenient and necessary to carry out its programs, including but not limited to the power to:

1. 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. 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.

3. Make grants and temporary loans, at interest rates and on terms as determined convenient and necessary by the authority, to defray the local contribution requirement for housing sponsors who apply for rent supplement assistance, to defray temporary housing costs that result from displacement by natural or other disaster, and to defray a portion of the expenses required to develop and initiate housing which deals creatively with housing problems of low or moderate income families, elderly families, and families which include one or more persons with disabilities.

4. Make temporary loans, at interest rates and on terms as determined convenient and necessary by the authority, to defray development costs for housing for low or moderate income families including but not limited to payments for options on sites; deposits on contracts and payments for purchase; legal and organizational expenses including attorney fees, project manager, clerical, and other staff salaries, office rent, and other additional expenses; payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work; expenses for tenant surveys and market analysis; and necessary application and other fees.

5. Make or participate in the making of property improvement loans or mortgage loans for rehabilitation or preservation of existing dwellings. The authority may issue housing assistance fund notes payable solely from the housing assistance fund.

6. 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 the authority 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, and 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.

7. Designate areas of economic distress for purposes of section 103A(k)(3)(A)(i) of the Internal Revenue Code.

8. Purchase, and make advance commitments to purchase, residential mortgage loans from mortgage lenders at prices and upon terms and conditions it determines consistent with its goals and legislative findings. 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.

9. 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 the principal of the mortgages retained by the authority as security.

10. File a lien on property where appropriate, convenient, and necessary in carrying out a program.

2007 Acts, ch 54, §20

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.

4. The executive director may establish administrative divisions within the authority in order to most efficiently and effectively carry out the authority's responsibilities, provided that any creation or modification of authority divisions be established only after consultation with the board of the authority.

[C77, 79, 81, §220.6]

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

C93, §16.6

2009 Acts, ch 43, §3

Confirmation, see §2.32

Merit system, see chapter 8A, subchapter IV

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](#) and consistent with legislative findings and guiding principles.

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; 2007 Acts, ch 54, §21; 2008 Acts, ch 1097, §1

16.11 through 16.14 Repealed by 2007 Acts, ch 54, § 45.

16.15 Participation in federal housing assistance payments program.

The authority shall participate in the housing assistance payments program under section 8 of the United States Housing Act of 1937, as amended by § 201 of the Housing and Community Development Act of 1974, Pub. L. No. 93-383, codified at 42 U.S.C. § 1437 et seq.

[C77, 79, 81, §220.15]

92 Acts, ch 1064, §1

C93, §16.15

2003 Acts, ch 44, §14; 2006 Acts, ch 1010, §13; 2007 Acts, ch 54, §22, 23

16.16 through 16.19 Repealed by 2007 Acts, ch 54, § 45.

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

Referred to in [§16.37](#)

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

Referred to in [§16.37](#)

16.22 through 16.25 Repealed by 2007 Acts, ch 54, § 45.

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, [chapter 554](#).

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; 2005 Acts, ch 3, §12

Referred to in [§16.1](#), [173.14B](#), [175.17](#)

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

Referred to in [§16.1](#)

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. *a.* 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:

(1) 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](#).

(2) Bring suit upon the bonds or notes.

(3) By action require the authority to account as if it were the trustee of an express trust for the holders.

(4) By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.

(5) 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.

b. 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 paragraph “a”, subparagraphs (1) to (5) 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

2008 Acts, ch 1032, §130

Referred to in [§16.1](#), [16.26](#), [16.51](#), [16.131](#), [16.155](#), [34A.20](#), [260C.71](#)

16.29 Local urban homesteading. Repealed by 2007 Acts, ch 54, § 45.

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

Referred to in [§16.1](#)

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

Referred to in §16.133A, 455B.295

16.32 Limitation of liability. Repealed by 2007 Acts, ch 54, § 45.

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 and 16.36 Repealed by 2007 Acts, ch 54, § 45.

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 and 16.39 Repealed by 2007 Acts, ch 54, § 45.

16.40 Housing assistance fund.

1. A housing assistance fund is created within the authority. The moneys in the fund shall be used by the authority to protect, preserve, create, and improve access to safe and affordable housing. The authority shall establish programs utilizing the fund by administrative rules adopted pursuant to [chapter 17A](#) and provide the requirements for the proper administration of the programs.

2. Moneys in the fund, including moneys which are annually appropriated to the authority, may be allocated for any use authorized by [this chapter](#) unless otherwise specified.

3. The authority may use moneys in the fund to provide financial assistance to a housing sponsor or an individual in the form of a loan, loan guarantee, grant, or interest subsidy, or by other means under the general powers of the authority.

4. Moneys in the fund may be used for but are not limited to the following purposes:

a. Home ownership programs including all of the following:

(1) Authority bond issues and loans to facilitate and ensure equal access across the state to funds for first-time homebuyers programs.

(2) Home ownership incentive programs not restricted to first-time homebuyers, including down payment and closing costs assistance.

(3) Programs for home maintenance and repair, new construction, acquisition, and rehabilitation.

(4) Support for home ownership education and counseling programs.

b. Rental programs, including rental subsidy, rehabilitation, preservation, new construction, and acquisition.

c. Programs that provide a continuum of housing services, including construction, operation, and maintenance of homeless shelters, domestic violence shelters, and transitional housing and supportive services to lower income and very low-income families.

d. Technical assistance programs that increase the capacity of for-profit and nonprofit housing entities.

5. Notwithstanding [section 8.33](#), moneys in the housing assistance fund at the end of each fiscal year shall not revert to the general fund or any other fund but shall remain in the housing assistance fund for expenditure for subsequent fiscal years.

6. The authority may establish, by rule adopted pursuant to [chapter 17A](#), an annual administration fee to be charged to the housing assistance fund. The annual fee shall not exceed four percent of the moneys, loans, or other assets held in the fund.

7. During each regular session of the general assembly, the authority shall present to the appropriate joint 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 created pursuant to [this section](#).

85 Acts, ch 252, §29

CS85, §220.40

88 Acts, ch 1145, §1

C93, §16.40

97 Acts, ch 201, §18; 2007 Acts, ch 54, §24

Referred to in [§16.91](#), [16.201](#)

Assets of Iowa finance authority in housing program fund to be transferred to housing assistance fund; 2007 Acts, ch 54, §44

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. Repealed by 2007 Acts, ch 54, § 45. See § 16.5C.

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. Repealed by 2007 Acts, ch 54, § 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](#).

[82 Acts, ch 1187, §7]

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.

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

b. 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

2008 Acts, ch 1032, §131

16.53 Residential reverse annuity mortgage model program.

The authority may develop a model reverse annuity mortgage conforming to the requirements of [this chapter](#), and may offer reverse annuity mortgages to qualified participants.

89 Acts, ch 267, §10

CS89, §220.53

C93, §16.53

2007 Acts, ch 54, §25

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 Home ownership assistance program for military members.

1. For the purposes of [this section](#), “*eligible member of the armed forces of the United States*” means a person who is or was a member of the national guard, reserve, or regular component of the armed forces of the United States who has served at least ninety days of active duty service beginning on or after September 11, 2001. “*Eligible member of the armed forces of the United States*” also means a former member of the national guard, reserve, or regular component of the armed forces of the United States who was honorably discharged due to injuries incurred while on active federal service beginning on or after September 11, 2001, that precluded completion of a minimum aggregate of ninety days of active federal service.

2. The home ownership assistance program is established to continue the program implemented pursuant to 2005 Iowa Acts, ch. 161, section 1, as amended by 2005 Iowa Acts, ch. 115, section 37, and continued in accordance with 2006 Iowa Acts, ch. 1167, sections 3 and 4, and other appropriations, to provide financial assistance to eligible members of the armed forces of the United States to be used for purchasing primary residences in the state of Iowa.

3. The program shall be administered by the authority and shall provide loans, grants, or other assistance to persons who are or were eligible members of the armed forces of the United States. In the event an eligible member is deceased, the surviving spouse of the eligible member shall be eligible for assistance under the program, subject to the surviving spouse meeting the program’s eligibility requirements other than the military service requirement. In addition, a person eligible for the program under [this section](#) may participate in other loan and grant programs of the authority, provided the person meets the requirements of those programs.

4. To qualify for a loan, grant, or other assistance under the home ownership assistance program, the following requirements, if applicable, shall be met:

a. The person eligible for the program shall, for financed home purchases that close on or after July 1, 2008, use a lender that participates in the authority’s applicable programs for first-time homebuyers.

b. If the person eligible for the program is a first-time homebuyer, then, for financed home purchases that close on or after July 1, 2008, the eligible person shall participate, if eligible to participate, in one of the authority’s applicable programs for first-time homebuyers.

c. A title guaranty certificate shall be issued for the property being purchased under the program.

5. The authority shall adopt rules for administering the program. The rules may provide for limiting the period of time for which an award of funds under the program shall be reserved for an eligible person pending the closing of a home purchase and compliance with all program requirements. Implementation of the program shall be limited to the extent of the amount appropriated or otherwise made available for purposes of the program.

6. The department of veterans affairs shall support the program by providing eligibility determinations and other program assistance requested by the authority.

2008 Acts, ch 1120, §1

16.55 through 16.60 Reserved.

SMALL BUSINESS LOAN PROGRAM

16.61 through 16.65 Repealed by 2007 Acts, ch 54, § 45.

16.66 through 16.70 Reserved.

RESIDENTIAL MORTGAGE MARKETING PROGRAM

16.71 and 16.72 Repealed by 2007 Acts, ch 54, § 45. See § 16.5C.

16.73 Rules.

The authority may 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 may provide 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

2007 Acts, ch 54, §26

16.74 through 16.80 Reserved.

RESIDENTIAL MORTGAGE INTEREST REDUCTION PROGRAM

16.81 through 16.84 Repealed by 2007 Acts, ch 54, § 45.

16.85 through 16.90 Reserved.

TITLE GUARANTY PROGRAM

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 deposited in the housing trust fund established in [section 16.181](#) 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 assistance 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](#).

a. (1) 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.

(2) 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 subparagraph.

b. 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, §2 – 5; 92 Acts, ch 1090, §1

C93, §16.91

97 Acts, ch 214, §6; 2000 Acts, ch 1166, §1; 2007 Acts, ch 54, §27; 2008 Acts, ch 1032, §132; 2008 Acts, ch 1097, §2

Referred to in [§447.13](#)

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. “Division board” means the board of directors of the title guaranty division of the Iowa finance authority.

c. “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 equal to or less than the maximum amount as determined by the division board.

d. “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.

e. “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.

f. “Mortgagor” means the grantor of a mortgage.

g. “Participating abstractor” means an abstractor participating in the title guaranty program.

h. “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.

i. “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, a licensed attorney, or a participating abstractor.

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 equal to or less than the maximum amount as determined by the division board and adopted by the authority pursuant to [chapter 17A](#).

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 through an act of negligence 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 equal to or less than the maximum amount as determined by the division board and adopted by the authority pursuant to [chapter 17A](#).

99 Acts, ch 54, §1; 2000 Acts, ch 1166, §2 – 5; 2001 Acts, ch 24, §15; 2005 Acts, ch 26, §1, 2; 2007 Acts, ch 52, §1 – 4; 2008 Acts, ch 1191, §32

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, participating abstractor, or closer:

a. Theft of settlement funds.

b. Failure by the participating attorney, participating abstractor, or closer 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, participating abstractor, or closer.

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; 2008 Acts, ch 1055, §1, 2

16.94 through 16.99 Reserved.

HOUSING IMPROVEMENT FUND PROGRAM

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. (1) 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:

(a) Closing costs assistance.

(b) Down payment assistance.

(c) Home maintenance and repair assistance.

(d) 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.

(e) Mortgage insurance program.

(2) 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.

(3) Not more than fifty percent of the assistance provided under this program shall be provided under subparagraph (1), subparagraph divisions (d) and (e). So long as at least one of the kinds of assistance described in subparagraph (1), subparagraph divisions (a) through (e) is provided, additional assistance not described in subparagraph (1), subparagraph divisions (a) through (e) 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, human services, and human rights, the director of the department on aging or the director's designee, 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.

9. Notwithstanding any provision to the contrary, all assets held in the housing improvement fund shall be transferred to the housing trust fund created in [section 16.181](#). On and after July 1, 2006, any moneys or assets received for deposit in the housing improvement fund shall be transferred to the housing trust fund.

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; 2006 Acts, ch 1185, §45; 2008 Acts, ch 1032, §133; 2009 Acts, ch 23, §3; 2009 Acts, ch 41, §263

Additional housing programs funding, see §16.40

COUNCIL ON HOMELESSNESS

16.100A Council on homelessness.

1. A council on homelessness is established consisting of thirty-eight voting members. At least one voting member at all times shall be a member of a minority group.

2. Members of the council shall consist of all of the following:

a. Twenty-six members of the general public appointed to two-year staggered terms by the governor in consultation with the nominating committee under [subsection 4](#), paragraph “a”.

(1) Voting members from the general public may include but are not limited to the following types of individuals and representatives of the following programs: homeless or formerly homeless individuals and their family members, youth shelters, faith-based organizations, local homeless service providers, emergency shelters, transitional housing providers, family and domestic violence shelters, private business, local government, and community-based organizations.

(2) Five of the twenty-six voting members selected from the general public shall be individuals who are homeless, formerly homeless, or family members of homeless or formerly homeless individuals.

(3) One of the twenty-six members selected from the general public shall be a representative of the Iowa state association of counties.

(4) One of the twenty-six members selected from the general public shall be a representative of the Iowa league of cities.

b. Twelve agency director members consisting of all of the following:

(1) The director of the department of education or the director’s designee.

(2) The director of the department of economic development or the director’s designee.

(3) The director of human services or the director’s designee.

(4) The attorney general or the attorney general’s designee.

(5) The director of the department of human rights or the director’s designee.

(6) The director of public health or the director’s designee.

(7) The director of the department on aging or the director’s designee.

(8) The director of the department of corrections or the director’s designee.

(9) The director of the department of workforce development or the director’s designee.

(10) The director of the department of public safety or the director’s designee.

(11) The director of the department of veterans affairs or the director’s designee.

(12) The executive director of the Iowa finance authority or the executive director’s designee.

3. An agency director’s designee may vote on council matters in the absence of the director.

4. a. A nominating committee initially comprised of all twelve agency director members shall nominate persons to the governor to fill the general public member positions. Following appointment of all twenty-six general public members, the composition of the nominating committee may be modified by rule.

b. The council may establish other committees and subcommittees comprised of members of the council.

5. A vacancy on the council shall be filled in the same manner as the original appointment. A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the remainder of the unexpired term.

6. a. A majority of the members of the council constitutes a quorum. Any action taken by the council must be adopted by the affirmative vote of a majority of its membership.

b. The council shall elect a chairperson and vice chairperson from the membership of the council. The chairperson and vice chairperson shall each serve two-year terms. The positions of chairperson and vice chairperson shall not be held by members who are both either general public members or agency directors. The position of chairperson shall rotate between agency director members and general public members.

c. The council shall meet at least six times per year. Meetings of the council may be called by the chairperson or by a majority of the members.

d. General public members shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties. Expense payments shall be made from appropriations made for purposes of [this section](#).

7. The Iowa finance authority shall provide staff assistance and administrative support to the council.

8. The duties of the council shall include but are not limited to the following:

a. Develop a process for evaluating state policies, programs, statutes, and rules to determine whether any state policies, programs, statutes, or rules should be revised to help prevent and alleviate homelessness.

b. Evaluate whether state agency resources could be more efficiently coordinated with other state agencies to prevent and alleviate homelessness.

c. Work to develop a coordinated and seamless service delivery system to prevent and alleviate homelessness.

d. Use existing resources to identify and prioritize efforts to prevent persons from becoming homeless and to eliminate factors that keep people homeless.

e. Identify and use federal and other funding opportunities to address and reduce homelessness within the state.

f. Work to identify causes and effects of homelessness and increase awareness among policymakers and the general public.

g. Advise the governor's office, the Iowa finance authority, state agencies, and private organizations on strategies to prevent and eliminate homelessness.

9. a. The council shall make annual recommendations to the governor regarding matters which impact homelessness on or before September 15.

b. The council shall prepare and file with the governor and the general assembly on or before the first day of December in each odd-numbered year, a report on homelessness in Iowa.

c. The council shall assist in the completion of the state's continuum of care application to the United States department of housing and urban development.

10. a. The Iowa finance authority, in consultation with the council, shall adopt rules pursuant to [chapter 17A](#) for carrying out the duties of the council pursuant to [this section](#).

b. The council shall establish internal rules of procedure consistent with the provisions of [this section](#).

c. Rules adopted or internal rules of procedure established pursuant to paragraph "a" or "b" shall be consistent with the requirements of the federal McKinney-Vento Homeless Assistance Act, 42 U.S.C. § 11301 et seq.

11. The council shall comply with the requirements of [chapters 21](#) and [22](#). The Iowa finance authority shall be the official repository of council records.

2008 Acts, ch 1117, §1; 2009 Acts, ch 23, §4; 2009 Acts, ch 41, §20; 2009 Acts, ch 43, §4

IOWA ECONOMIC DEVELOPMENT BOND BANK PROGRAM

16.101 Legislative findings. Repealed by 2007 Acts, ch 54, § 45.

16.102 Establishment of bond bank program — bonds and notes — projects.

The authority may 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.

86 Acts, ch 1212, §3

C87, §220.102

C93, §16.102

2007 Acts, ch 54, §28, 29; 2009 Acts, ch 43, §5

Referred to in §16.3, 16.104, 16.106

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

Referred to in §16.106

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 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

Referred to in [§16.106](#)

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. a. 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:

(1) 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.

(2) The purchase or redemption of the bonds or notes.

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

b. 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, [chapter 554](#), 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

2005 Acts, ch 3, §13; 2008 Acts, ch 1032, §201

Referred to in [§16.106](#)

16.106 Adoption of rules.

The board of directors of the authority shall adopt rules pursuant to [chapter 17A](#) to implement [sections 16.102 through 16.105](#).

86 Acts, ch 1212, §7

C87, §220.106

C93, §16.106

2007 Acts, ch 54, §30

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

16.108 through 16.120 Reserved.

EXPORT BUSINESS FINANCE PROGRAM

16.121 through 16.125 Repealed by 2007 Acts, ch 54, § 45.

16.126 through 16.130 Reserved.

WATER POLLUTION CONTROL WORKS AND DRINKING WATER FACILITIES FINANCING

16.131 Iowa water pollution control works and drinking water facilities financing program — 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. The authority may issue its bonds and notes for the purpose of funding the funds created under [section 16.133A](#) and the state matching funds required pursuant to the Clean Water Act and the Safe Drinking Water Act.

3. The authority may issue its bonds and notes for the purposes established and may enter into one or more loan agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for 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.

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 and powers granted to the authority under [this section](#) except to the extent they are inconsistent with [this section](#).

5. 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.

6. The authority shall determine the interest rate and repayment terms for loans made under the program, in cooperation with the department, and the authority shall enter into loan agreements with eligible entities in compliance with and subject to the terms and conditions of the Clean Water Act, the Safe Drinking Water Act, and any other applicable federal law.

7. The authority shall process, review, and approve or deny loan applications pursuant to eligibility requirements established by rule of the authority and in accordance with the intended use plan applications approved by the department.

8. The authority may charge loan recipients fees and assess costs against such recipients necessary for the continued operation of the program. Fees and costs collected pursuant to [this subsection](#) shall be deposited in the appropriate fund or funds described in [section 16.133A](#).

9. Notwithstanding any provision of [this chapter](#) to the contrary, moneys received under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited in the revolving loan funds may be used in any manner permitted or required by applicable federal law.

88 Acts, ch 1217, §20

C89, §220.131

C93, §16.131

97 Acts, ch 4, §1; 2002 Acts, 2nd Ex, ch 1003, §234, 262; 2009 Acts, ch 30, §1 – 4; 2009 Acts, ch 100, §3, 21

Referred to in [§16.131A](#), [16.132](#), [16.133](#), [16.134](#)

16.131A Definitions.

As used in [section 16.131](#), [this section](#), and [sections 16.132 through 16.134](#), unless the context otherwise requires:

1. “*Clean Water Act*” means the federal Water Pollution Control Act of 1972, Pub. L. No. 92-500, as amended by the Water Quality Act of 1987, Pub. L. No. 100-4, as published in 33 U.S.C. § 1251 – 1376, as amended.

2. “*Commission*” means the environmental protection commission created under [section 455A.6](#).

3. “*Cost*” means all costs, charges, expenses, or other indebtedness incurred by a loan recipient and determined by the department as reasonable and necessary for carrying out all works and undertakings necessary or incidental to the accomplishment of any project.

4. “*Department*” means the department of natural resources created in [section 455A.2](#).

5. “*Eligible entity*” means a person eligible under the provisions of the Clean Water Act, the Safe Drinking Water Act, and the commission rules to receive loans for projects from any of the revolving loan funds.

6. “*Loan recipient*” means an eligible entity that has received a loan under the program.

7. “*Municipality*” means a city, county, sanitary district, state agency, or other governmental body or corporation empowered to provide sewage collection and treatment services or drinking water, or any combination of two or more of the governmental bodies or corporations acting jointly, in connection with a project.

8. “Program” means the Iowa water pollution control works and drinking water facilities financing program created pursuant to [section 455B.294](#).

9. “Project” means one of the following:

a. In the context of water pollution control facilities, the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner including treatment works as defined in section 212 of the Clean Water Act, or the implementation and development of management programs established under sections 319 and 320 of the Clean Water Act, including construction and undertaking of nonpoint source water pollution control projects and related development activities authorized under those sections.

b. In the context of drinking water facilities, the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, or equipping of waterworks, water mains, extensions, or treatment facilities useful for providing potable water to residents served by a water system, including the acquisition of real property needed for any of the foregoing purposes, and such other purposes and programs as may be authorized under the Safe Drinking Water Act.

10. “Revolving loan funds” means the funds of the program established under [sections 16.133A](#) and [455B.295](#).

11. “Safe Drinking Water Act” means Tit. XIV of the federal Public Health Service Act, commonly known as the “Safe Drinking Water Act”, 42 U.S.C. § 300f et seq., as amended by the Safe Drinking Water Amendments of 1996, Pub. L. No. 104-182, as amended.

12. “Water system” means any community water system or nonprofit noncommunity water system, each as defined in the Safe Drinking Water Act, that is eligible under the rules of the department to receive a loan under the program for the purposes of undertaking a project.

2009 Acts, ch 30, §5

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 authority 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 authority, and the amounts on deposit in the revolving loan funds, and the amounts payable to the authority under its loan agreements with eligible entities 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, §2 – 4; 2002 Acts, 2nd Ex, ch 1003, §235, 262; 2003 Acts, ch 44, §15, 114; 2009 Acts, ch 30, §6, 7

Referred to in [§16.131A](#), [16.133](#)

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

Referred to in [§16.131A](#)

16.133A Funds and accounts — program funds and accounts not part of state general fund.

1. The authority may establish and maintain funds and accounts determined to be necessary to carry out the purposes of the program and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts. The department and the authority may combine administration of the revolving loan funds and cross collateralize the same to the extent permitted by the Clean Water Act, the Safe Drinking Water Act, and other applicable federal law. Moneys appropriated to and used by the authority and department for purposes of paying the costs and expenses associated with the administration of the program shall be administered as determined by the authority and department.

2. The funds or accounts held by the authority, or a trustee acting on behalf of the authority pursuant to a trust agreement related to the program, shall not be considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state, but shall remain in the funds and accounts maintained by the authority or trustee pursuant to a trust agreement. Funds and accounts held by the authority, or a trustee

acting on behalf of the authority pursuant to a trust agreement related to the program, are separate dedicated funds and accounts under the administration and control of the authority and subject to [section 16.31](#).

2009 Acts, ch 30, §8

Referred to in [§16.131](#), [16.131A](#), [455B.291](#)

16.134 Wastewater treatment financial assistance program.

1. The Iowa finance authority shall establish and administer a wastewater treatment financial assistance program. The purpose of the program shall be to provide financial assistance to enhance water quality. The program shall be administered in accordance with rules adopted by the authority pursuant to [chapter 17A](#). For purposes of [this section](#), “program” means the wastewater treatment financial assistance program.

2. A wastewater treatment financial assistance fund is created and shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. Moneys in the fund are not subject to [section 8.33](#). Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

3. Financial assistance under the program shall be used to install or upgrade wastewater treatment facilities and systems, and for engineering or technical assistance for facility planning and design.

4. The authority shall distribute financial assistance in the fund in accordance with the following:

a. The goal of the program shall be to base awards on the impact of the grant combined with other sources of financing to ensure that sewer rates do not exceed one and one-half percent of a community’s median household income.

b. Communities shall be eligible for financial assistance by qualifying as a disadvantaged community and seeking financial assistance for the installation or upgrade of wastewater treatment facilities due to regulatory activity by the department of natural resources. For purposes of [this section](#), the term “disadvantaged community” means the same as defined by the department.

c. Priority shall be given to projects in which the financial assistance is used to obtain financing under the Iowa water pollution control works and drinking water facilities financing program pursuant to [section 16.131](#) or other federal or state financing.

d. Priority shall also be given to projects whose completion will provide significant improvement to water quality in the relevant watershed.

e. Priority shall also be given to communities that employ an alternative wastewater treatment technology pursuant to [section 455B.199C](#).

f. Priority shall be also given to those communities where sewer rates are the highest as a percentage of that community’s median household income.

g. Financial assistance in the form of grants shall be issued on an annual basis.

h. An applicant shall not receive a grant that exceeds five hundred thousand dollars.

5. The authority in cooperation with the department of natural resources shall share information and resources when determining the qualifications of a community for financial assistance from the fund.

6. The authority may use an amount of not more than four percent of any moneys appropriated for deposit in the fund for administration purposes.

2006 Acts, ch 1179, §63; 2009 Acts, ch 30, §9, 10; 2009 Acts, ch 72, §1

Referred to in [§16.131A](#)

16.135 Wastewater viability assessment.

1. The authority, in cooperation with the department of natural resources and the department of economic development, shall require the use of a wastewater viability assessment for any wastewater treatment facility seeking a grant under the wastewater treatment financial assistance program. A wastewater viability assessment shall determine the long-term operational and financial capacity of the facility and its ratepayers. The authority shall develop minimum criteria for eligibility based on the viability assessment.

2. The authority, in cooperation with the department of natural resources, shall develop a wastewater viability assessment. The assessment shall include as part of the assessment all of the following factors:

a. The ability of the applicant to provide proper oversight and management through a certified operator.

b. The financial ability of the users to support the existing system, improvements to the system, and the long-term maintenance of the system.

2009 Acts, ch 72, §2

16.136 through 16.140 Reserved.

UNSEWERED COMMUNITY REVOLVING LOAN PROGRAM

16.141 Unsewered community revolving loan program — fund.

1. The authority shall establish and administer an unsewered community revolving loan program. Assistance under the program shall consist of no-interest loans with a term not to exceed forty years and shall be used for purposes of installing sewage disposal systems in a city without a sewage disposal system or in an area where a cluster of homes is located.

2. An unsewered community may apply for assistance under the program. In awarding assistance, the authority shall encourage the use of innovative, cost-effective sewage disposal systems and technologies. The authority shall adopt rules that prioritize applications for disadvantaged unsewered communities.

3. For purposes of [this section](#), “an area where a cluster of homes is located” means an area located in the unincorporated area of a county which includes six or more homes but less than five hundred homes.

4. An unsewered community revolving loan fund is created in the state treasury under the control of the authority and consisting of moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the fund.

5. Repayments of moneys loaned and recaptures of loans shall be deposited in the fund.

6. Moneys in the fund shall be used to provide assistance under the unsewered community revolving loan program established in [this section](#).

7. Moneys in the fund are not subject to [section 8.33](#). Notwithstanding [section 12C.7](#), interest or earnings on moneys in the fund shall be credited to the fund.

2009 Acts, ch 76, §1

16.142 through 16.150 Reserved.

IOWA TANK ASSISTANCE BONDS

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.

RESIDENTIAL TREATMENT FACILITIES

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

Referred to in [§237.14](#)

16.156 through 16.160 Reserved.

E911 PROGRAM

16.161 Authority to issue E911 program bonds and notes.

The authority shall assist the program manager, 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; 2004 Acts, ch 1175, §461

COMMUNITY COLLEGE DORMITORIES

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.

MUNICIPAL INVESTMENT RECOVERY PROGRAM

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

PRISON INFRASTRUCTURE REVENUE BONDS

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, [chapter 554](#).

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, [chapter 554](#), 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 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; 2005 Acts, ch 3, §14; 2008 Acts, ch 1119, §4
Referred to in [§602.8108A](#)

16.178 through 16.180 Reserved.

HOUSING TRUST FUND

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 moneys received by the authority from the national housing trust fund created pursuant to the federal Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289.

(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. At least sixty percent of available moneys in the housing trust fund shall be allocated for the local housing trust fund program.

(2) Project-based housing program. Moneys remaining in the housing trust fund after the allocation in subparagraph (1) shall be used to make awards to project-based housing programs located in areas where a local housing trust fund does not exist or for a project-based housing program that is not eligible for funding through a local housing trust fund.

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. The authority shall adopt rules pursuant to [chapter 17A](#) necessary to administer [this section](#).

2003 Acts, ch 179, §101; 2008 Acts, ch 1032, §6; 2009 Acts, ch 43, §6 – 8

Referred to in [§16.91](#), [16.100](#), [16.181A](#), [428A.8](#), [543B.46](#), [543D.21](#)

Transfer to housing trust fund of unobligated funds in or received for deposit in the local housing assistance program fund created in [§15.354](#), Code 2007; 2008 Acts, ch 1097, §5

16.181A Housing trust fund — appropriations.

There is appropriated from the rebuild Iowa infrastructure fund to the Iowa finance authority for deposit in the housing trust fund created in [section 16.181](#), for the fiscal year beginning July 1, 2009, and ending June 30, 2010, and for each succeeding fiscal year, the sum of three million dollars.

2008 Acts, ch 1179, §54

SENIOR LIVING REVOLVING LOAN PROGRAM FUND

16.182 Senior living revolving loan program fund.

1. A senior living revolving loan program fund is created within the authority to further the goal of the senior living program as specified in [section 249H.2](#). The moneys in the senior living revolving loan program fund shall be used by the authority for the development and operation of a revolving loan program to provide financing to construct affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities, including through new construction or acquisition and rehabilitation.

2. Moneys received by the authority from the senior living trust fund, transferred by the authority for deposit in the senior living revolving loan program fund, moneys appropriated to the senior living revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the senior living revolving loan program fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the senior living revolving loan program fund shall be deposited in the fund. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the senior living revolving loan program fund shall be credited to the fund. Notwithstanding [section 8.33](#), moneys that remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority shall annually allocate moneys available in the senior living revolving loan program fund for the development of affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities. The authority shall develop a joint application process for the allocation of federal low-income housing tax credits and funds available under [this section](#). Moneys allocated to such developments may be in the form of loans, grants, or a combination of loans and grants.

4. The authority shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

2004 Acts, ch 1175, §170

HOME AND COMMUNITY-BASED SERVICES REVOLVING LOAN PROGRAM FUND

16.183 Home and community-based services revolving loan program fund.

1. A home and community-based services revolving loan program fund is created within the authority to further the goals specified in [section 231.3](#), adult day services,

respite services, congregate meals, health and wellness, health screening, and nutritional assessments. The moneys in the home and community-based services revolving loan program fund shall be used by the authority for the development and operation of a revolving loan program to develop and expand facilities and infrastructure that provide adult day services, respite services, congregate meals, and programming space for health and wellness, health screening, and nutritional assessments that address the needs of persons with low incomes.

2. Moneys received by the authority from the senior living trust fund, transferred by the authority for deposit in the home and community-based services revolving loan program fund, moneys appropriated to the home and community-based services revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the home and community-based services revolving loan program fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the senior living revolving loan program fund shall be deposited in the fund. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the home and community-based services revolving loan program fund shall be credited to the fund. Notwithstanding [section 8.33](#), moneys that remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority, in cooperation with the department on aging, shall annually allocate moneys available in the home and community-based services revolving loan program fund to develop and expand facilities and infrastructure that provide adult day services, respite services, congregate meals, and programming space for health and wellness, health screening, and nutritional assessments that address the needs of persons with low incomes.

4. The authority shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

2004 Acts, ch 1175, §171; 2006 Acts, ch 1184, §34; 2009 Acts, ch 23, §5

TRANSITIONAL HOUSING REVOLVING LOAN PROGRAM FUND

16.184 Transitional housing revolving loan program fund.

1. A transitional housing revolving loan program fund is created within the authority to further the availability of affordable housing for parents that are reuniting with their children while completing or participating in substance abuse treatment. The moneys in the fund are annually appropriated to the authority to be used for the development and operation of a revolving loan program to provide financing to construct affordable transitional housing, including through new construction or acquisition and rehabilitation of existing housing. The housing provided shall be geographically located in close proximity to licensed substance abuse treatment programs. Preference in funding shall be given to projects that reunite mothers with the mothers' children.

2. Moneys transferred by the authority for deposit in the transitional housing revolving loan program fund, moneys appropriated to the transitional housing revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the transitional housing revolving loan program fund shall be credited to the fund. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the transitional housing revolving loan program fund shall be credited to the fund. Notwithstanding [section 8.33](#), moneys that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority shall annually allocate moneys available in the transitional housing revolving loan program fund for the development of affordable transitional housing for parents that are reuniting with the parents' children while completing or participating in substance abuse treatment. The authority shall develop a joint application process for the allocation of federal low-income housing tax credits and the funds available under

[this section](#). Moneys allocated to such projects may be in the form of loans, grants, or a combination of loans and grants.

4. The authority shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).
2005 Acts, ch 175, §55

PUBLIC SERVICE SHELTER GRANT FUND

16.185 Public service shelter grant fund.

1. A public service shelter grant fund is created under the authority of the Iowa finance authority. The fund shall consist of appropriations made to the fund. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of [section 8.53](#), relating to generally accepted accounting principles.

2. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for grants for construction, renovations, or improvements of homeless shelters, emergency shelters, and family and domestic violence shelters, to assist communities in providing certain essential social services including supportive services and other kinds of assistance to individuals in need of temporary housing necessary to improve their living situations.

4. Annually, on or before January 15 of each year, a state agency that received an appropriation for the public service shelter grant fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

5. Payment of moneys from appropriations from the fund shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the treasurer of state pursuant to [section 12.87](#).

6. The authority shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).
2009 Acts, ch 173, §28, 36

DISASTER DAMAGE HOUSING ASSISTANCE GRANT FUND

16.186 Disaster damage housing assistance grant fund.

1. A disaster damage housing assistance grant fund is created under the authority of the Iowa finance authority. The fund shall consist of appropriations made to the fund. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of [section 8.53](#), relating to generally accepted accounting principles.

2. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for grants to ease and speed recovery efforts from the natural disasters of 2008, including stabilizing neighborhoods damaged by the natural disasters, preventing population loss and neighborhood deterioration, and improving the health, safety, and welfare of persons living in such disaster-damaged neighborhoods.

4. Annually, on or before January 15 of each year, a state agency that received an

appropriation for the disaster damage housing assistance grant fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

5. Payment of moneys from appropriations from the fund shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the treasurer of state pursuant to [section 12.87](#).

6. The authority shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).
2009 Acts, ch 173, §29, 36

AFFORDABLE HOUSING ASSISTANCE GRANT FUND

16.187 Affordable housing assistance grant fund.

1. An affordable housing assistance grant fund is created under the authority of the Iowa finance authority. The fund shall consist of appropriations made to the fund. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of [section 8.53](#), relating to generally accepted accounting principles.

2. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for grants for housing for certain elderly, disabled, and low-income persons and public servants in professions meeting critical skill shortages in the state, to assist communities in providing safe and affordable housing for the general welfare and security of the citizens of the state.

4. Annually, on or before January 15 of each year, a state agency that received an appropriation for the affordable housing assistance grant fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

5. Payment of moneys from appropriations from the fund shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the treasurer of state pursuant to [section 12.87](#).

6. The authority shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).
2009 Acts, ch 173, §30, 36

16.188 through 16.190 Reserved.

IOWA JOBS PROGRAM

16.191 Iowa jobs board.

1. An Iowa jobs board is established consisting of eleven members and is located for administrative purposes within the Iowa finance authority. The executive director of the Iowa finance authority shall provide staff assistance and necessary supplies and equipment for the board. The executive director shall budget funds received pursuant to [section 16.193](#) to operate the program including but not limited to paying the per diem expenses of the board

members. In performing its functions, the board is performing a public function on behalf of the state and is a public instrumentality of the state.

2. The membership of the board shall be as follows:

- a. Six members of the general public appointed by the governor.
- b. The director of the department of economic development or the director's designee.
- c. The executive director of the Iowa finance authority or the director's designee.
- d. The director of the department of workforce development or the director's designee.
- e. The executive director of the rebuild Iowa office or the director's designee until June 30, 2011, and then the administrator of the homeland security and emergency management division of the department of public defense or the administrator's designee.
- f. The treasurer of state or the treasurer of state's designee.

3. a. All public member appointments made pursuant to [subsection 2](#), paragraph "a" shall comply with [sections 69.16](#), [69.16A](#), and [69.16C](#), and shall be subject to confirmation by the senate.

b. Three of the public members appointed pursuant to [subsection 2](#), paragraph "a" shall have demonstrable experience or expertise in the field of public financing, architecture, engineering, or major facility development or construction and one of the public members appointed pursuant to [subsection 2](#), paragraph "a", shall be an employee of a not-for-profit organization.

c. All public members shall be from geographically diverse areas of this state.

d. All public members shall be appointed to three-year staggered terms and the terms shall commence and end as provided by [section 69.19](#). If a vacancy occurs, a successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term.

4. The chairperson and vice chairperson of the board shall be designated by the governor from the public members appointed pursuant to [subsection 2](#), paragraph "a". In case of the absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting.

5. A majority of the board constitutes a quorum.

2009 Acts, ch 173, §5, 36

Confirmation, see §2.32

16.192 Board duties and powers.

The Iowa jobs board has any and all powers necessary to carry out its purposes and duties, and to exercise its specific powers, including but not limited to doing all of the following:

1. Organize.
2. Establish the Iowa jobs program pursuant to [section 16.194](#).
3. Oversee and provide approval of the administration of the Iowa jobs program.
4. Award financial assistance in the form of grants under the Iowa jobs program pursuant to [sections 16.194](#) and [16.195](#).
5. Enter into and enforce grant agreements as necessary or convenient to implement the Iowa jobs program.

2009 Acts, ch 173, §6, 36

Referred to in [§16.197](#)

16.193 Iowa finance authority duties — appropriation.

1. The Iowa finance authority, subject to approval by the Iowa jobs board, shall adopt administrative rules pursuant to [chapter 17A](#) necessary to administer the Iowa jobs program. The authority shall provide the board with assistance in implementing administrative functions, providing technical assistance and application assistance to applicants under the programs, negotiating contracts, and providing project follow up. The authority, in cooperation with the board, may conduct negotiations on behalf of the board with applicants regarding terms and conditions applicable to awards under the program.

2. During the term of the Iowa jobs program established in [section 16.194](#), two hundred

thousand dollars of the moneys deposited in the rebuild Iowa infrastructure fund shall be allocated each fiscal year to the Iowa finance authority for purposes of administering the Iowa jobs program, notwithstanding [section 8.57, subsection 6](#), paragraph “c”.

2009 Acts, ch 173, §7, 36

Referred to in [§16.191](#), [16.197](#)

16.194 Iowa jobs program.

1. An Iowa jobs program is created to assist in the development and completion of public construction projects relating to disaster relief and mitigation and to local infrastructure. “Local infrastructure” includes projects relating to disaster rebuilding, reconstruction and replacement of local public buildings, flood control and flood protection, and future flood prevention.

2. A city or county or a public organization in this state may submit an application to the Iowa jobs board for financial assistance for a local infrastructure competitive grant for an eligible project under the program, notwithstanding any limitation on the state’s percentage in funding as contained in [section 29C.6, subsection 17](#).

3. Financial assistance under the program shall be awarded in the form of grants.

4. The board shall consider the following criteria in evaluating eligible projects to receive financial assistance under the program:

a. The total number and quality of jobs to be created and the benefits likely to accrue to areas distressed by high unemployment.

b. Financial feasibility, including the ability of projects to fund depreciation costs or replacement reserves, and the availability of other federal, state, local, and private sources of funds.

c. Sustainability and energy efficiency.

d. Benefits for disaster recovery.

e. The project’s readiness to proceed.

5. An applicant must demonstrate local support for the project as defined by rule.

6. Any award of financial assistance to a project shall be limited as follows:

a. Up to seventy-five percent of the total cost of a project for replacing or rebuilding existing disaster-related damaged property.

b. Up to fifty percent of the total cost for all other projects.

7. In order for a project to be eligible to receive financial assistance from the board, the project must be a public construction project pursuant to [subsection 1](#) with a demonstrated substantial local, regional, or statewide economic impact.

8. The board shall not approve an application for assistance for any of the following purposes:

a. To refinance a loan existing prior to the date of the initial financial assistance application.

b. For a project that has previously received financial assistance under the program, unless the applicant demonstrates that the financial assistance would be used for a significant expansion of a project.

9. a. The total amount of allocations for future flood prevention, reconstruction and replacement of local public buildings, disaster rebuilding, flood control and flood protection projects shall not exceed one hundred sixty-five million dollars for the fiscal year beginning July 1, 2009.

b. Any portion of an amount allocated for projects that remains unexpended or unencumbered one year after the allocation has been made may be reallocated to another project category, at the discretion of the board. The board shall ensure that all bond proceeds be expended within three years from when the allocation was initially made.

10. The board shall ensure that funds obligated under [this section](#) are coordinated with other federal program funds received by the state, and that projects receiving funds are located in geographically diverse areas of the state.

11. For purposes of [this section](#), “*public organization*” means a nonprofit organization that sponsors or supports the public needs of the local community.

2009 Acts, ch 173, §8, 36

Referred to in [§12.87](#), [16.192](#), [16.193](#), [16.195](#), [16.196](#), [16.197](#)

16.195 Iowa jobs program application review.

1. Applications for assistance under the Iowa jobs program shall be submitted to the Iowa finance authority. The authority shall provide a staff review and evaluation of applications to the Iowa jobs program review committee referred to in [subsection 2](#) and to the Iowa jobs board.

2. A review committee composed of members of the board as determined by the board shall review Iowa jobs program applications submitted to the board and make recommendations regarding the applications to the board. When reviewing the applications, the review committee and the authority shall consider the project criteria specified in [section 16.194](#). The board shall develop the appropriate level of transparency regarding project fund allocations.

3. Upon approval of an application for financial assistance under the program, the board shall notify the treasurer of state regarding the amount of moneys needed to satisfy the award of financial assistance and the terms of the award. The treasurer of state shall notify the Iowa finance authority any time moneys are disbursed to a recipient of financial assistance under the program.

2009 Acts, ch 173, §9, 36

Referred to in [§16.192](#), [16.196](#), [16.197](#)

16.196 Iowa jobs restricted capitals fund — appropriations.

1. An Iowa jobs restricted capitals fund is created and established as a separate and distinct fund in the state treasury. The fund consists of moneys appropriated from the revenue bonds capitals fund created in [section 12.88](#). The moneys in the fund are appropriated to the Iowa jobs board for purposes of the Iowa jobs program established in [section 16.194](#). Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the Iowa jobs program. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund. The fund shall be administered by the board which shall make allocations from the fund consistent with the purposes of the Iowa jobs program.

2. There is appropriated from the revenue bonds capitals fund created in [section 12.88](#), to the Iowa jobs restricted capitals fund, for the fiscal year beginning July 1, 2009, and ending June 30, 2010, one hundred sixty-five million dollars to be allocated as follows:

a. One hundred eighteen million five hundred thousand dollars for competitive grants for local infrastructure projects relating to disaster rebuilding, reconstruction and replacement of local buildings, flood control and flood protection, and future flood prevention public projects. An applicant for a local infrastructure grant shall not receive more than fifty million dollars in financial assistance from the fund.

b. Forty-six million five hundred thousand dollars for disaster relief and mitigation and local infrastructure grants for the following renovation and construction projects, notwithstanding any limitation on the state’s percentage participation in funding as contained in [section 29C.6, subsection 17](#):

(1) For grants to a county with a population between one hundred eighty-nine thousand and one hundred ninety-six thousand in the latest preceding certified federal census, to be distributed as follows:

(a) Ten million dollars for the construction of a new, shared facility between nonprofit human service organizations serving the public, especially the needs of low-income Iowans, including those displaced as a result of the disaster of 2008.

(b) Five million dollars for the construction or renovation of a facility for a county-funded workshop program serving the public and particularly persons with mental illness or developmental disabilities.

(2) For grants to a city with a population between one hundred ten thousand and one

hundred twenty thousand in the latest preceding certified federal census, to be distributed as follows:

(a) Five million dollars for an economic redevelopment project benefiting the public by improving energy efficiency and the development of alternative and renewable energy technologies.

(b) Ten million dollars for a museum serving the public and dedicated to the preservation of an eastern European cultural heritage through the collection, exhibition, preservation, and interpretation of historical artifacts.

(c) Five million dollars for a theater serving the public and promoting culture, entertainment, and tourism.

(d) Five million dollars for a public library.

(e) Five million dollars for a public works building.

(3) One million five hundred thousand dollars, to be distributed as follows:

(a) Five hundred thousand dollars to a city with a population between six hundred and six hundred fifty in the latest preceding certified federal census, for a public fire station.

(b) Five hundred thousand dollars to a city with a population between one thousand four hundred and one thousand five hundred in the latest preceding certified federal census, for a public fire station.

(c) Five hundred thousand dollars for a city with a population between seven thousand eight hundred and seven thousand eight hundred fifty, for a public fire station.

3. Grant awards for a project under [subsection 2](#), paragraph “b”, are contingent upon submission of a plan for each project by the applicable county or city governing board or in the case of a project submitted pursuant to [subsection 2](#), paragraph “b”, subparagraph (2), subparagraph division (b), by the board of directors, to the Iowa jobs board, no later than September 1, 2009, detailing a description of the project, the plan to rebuild, and the amount or percentage of federal, state, local, or private matching moneys which will be or have been provided for the project. Funds not utilized in accordance with [subsection 2](#), paragraph “b”, due to failure to file a plan by the September 1 deadline shall revert to the Iowa jobs restricted capitals fund to be available for local infrastructure competitive grants. A grant recipient under [subsection 2](#), paragraph “b”, shall not be precluded from applying for a local infrastructure competitive grant pursuant to [this section](#) and [section 16.195](#).

4. Moneys in the fund are not subject to [section 8.33](#). Notwithstanding [section 12C.7](#), [subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

5. Annually, on or before January 15 of each year, the board shall report to the legislative services agency and the department of management the status of all projects receiving moneys from the fund completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

6. Payment of moneys appropriated from the fund shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the treasurer of state.

2009 Acts, ch 173, §10, 36

Referred to in [§16.197](#)

16.197 Limitation of liability.

A member of the Iowa jobs board, a person acting on behalf of the board while acting within the scope of their employment or agency, or the treasurer of state, shall not be subject to personal liability resulting from carrying out the powers and duties of the board or the treasurer, as applicable, in [sections 16.192 through 16.196](#).

2009 Acts, ch 173, §11, 36

16.198 through 16.200 Reserved.

JUMPSTART HOUSING ASSISTANCE

16.201 Jumpstart housing assistance program.

1. The Iowa finance authority shall establish and administer a jumpstart housing assistance program. Under the program, the authority shall provide grants to local government participants for purposes of distributing the moneys to eligible residents for eligible purposes which relate to disaster-affected homes.

2. An eligible resident is a person residing in a disaster-affected home who is the owner of record of a right, title, or interest in the disaster-affected home and who has been approved by the federal emergency management agency for housing assistance. An eligible resident must have a family income equal to or less than one hundred fifty percent of the area median family income.

3. Eligible purposes include forgivable loans for down payment assistance, emergency housing repair or rehabilitation, and interim mortgage assistance. An eligible resident who receives a forgivable loan may also receive energy efficiency assistance which shall be added to the principal of the forgivable loan.

4. A local government participant may retain a portion of the grant moneys for administrative purposes as provided in a grant agreement between the authority and the local government participant.

5. Any money paid to a local government participant by an eligible resident shall be remitted to the authority for deposit in the housing assistance fund created in [section 16.40](#).

6. As determined by the authority, unused or unobligated moneys may be reclaimed and reallocated by the authority to other local government participants.

7. As used in [this section](#), unless the context otherwise requires:

a. “*Disaster-affected home*” means a primary residence that was destroyed or damaged due to a natural disaster occurring after May 24, 2008, and before August 14, 2008.

b. “*Local government participant*” means the cities of Ames, Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo, and West Des Moines; a council of governments whose territory includes at least one county that was declared a disaster area by the president of the United States after May 24, 2008, and before August 14, 2008; and any county that is not part of any council of governments and was declared a disaster area by the president of the United States after May 24, 2008, and before August 14, 2008.

2009 Acts, ch 170, §4, 11

Referred to in [§15F204](#)

Section takes effect March 16, 2009, and applies retroactively to July 1, 2008, for the fiscal year beginning on that day; 2009 Acts, ch 170, §11

16.202 through 16.210 Reserved.

DISASTER RECOVERY HOUSING PROJECT TAX CREDIT

16.211 Disaster recovery housing project tax credit.

1. a. A tax credit shall be allowed against the taxes imposed in [chapter 422, divisions II and III](#), for a portion of a taxpayer’s qualifying investment, as provided in [subsection 3](#), in a qualifying disaster recovery housing project. To qualify as a disaster recovery housing project, a property, and the activities affecting the property, shall meet all of the following conditions:

(1) The property is owned by a taxpayer who is an individual, business, or corporation subject to taxation under [chapter 422, division II](#) or [III](#).

(2) A qualifying investment, as defined in [subsection 3](#), is made by the taxpayer.

(3) The project involves the construction or rehabilitation of housing on the property.

(4) The property is located in an area that the governor proclaimed a disaster emergency

or the president of the United States declared a major disaster during the period of time beginning May 1, 2008, and ending August 31, 2008.

(5) An application for low-income housing tax credits pursuant to section 42 of the Internal Revenue Code has been submitted to the Iowa finance authority on behalf of the project and has been determined by the authority to meet the threshold requirements for an award of credits as set forth in the applicable qualified allocation plan.

(6) The project meets the requirements relating to the density of residential housing in the area as established by the authority.

(7) The project meets the requirements relating to the availability of and the accessibility to educational services as established by the authority. For the purposes of [this section](#), “*educational services*” includes but is not limited to public schools, job training, and financial literacy services.

(8) The project is designed to avoid, prevent, or mitigate the effects of a future natural disaster.

b. An individual may claim a tax credit under [this subsection](#) of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual’s earnings from the partnership, limited liability company, S corporation, estate, or trust.

2. *a.* To claim a disaster recovery housing project tax credit under [this section](#), a taxpayer must attach one or more tax credit certificates to the taxpayer’s tax return. The tax credit certificate or certificates attached to the taxpayer’s tax return shall be issued in the taxpayer’s name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer’s tax return.

b. After verifying the eligibility of a taxpayer for a tax credit pursuant to [this section](#), the authority shall issue a disaster recovery housing project tax credit certificate to be attached to the taxpayer’s tax return. The tax credit certificate shall contain the taxpayer’s name, address, tax identification number; the amount of the credit; and any other information required by the department of revenue.

c. The tax credit certificate, unless otherwise void, shall be accepted by the department of revenue as payment for taxes imposed pursuant to [chapter 422, division II or III](#), subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of [this section](#).

d. Tax credit certificates issued under [this section](#) are not transferable to any person or entity.

3. *a.* The tax credit equals seventy-five percent of the taxpayer’s qualifying investment in a disaster recovery housing project. For the purposes of [this section](#), “*qualifying investment*” means the costs incurred by the taxpayer that are directly related to a disaster recovery housing project, as defined in [subsection 1](#), and which are incurred on or after May 12, 2009, and prior to July 1, 2010.

b. The amount of the tax credit calculated under paragraph “*a*” shall be divided by five and applied equally to the taxpayer’s tax liability for five consecutive tax years commencing with the tax year beginning in the 2011 calendar year. Any tax credit in excess of the taxpayer’s liability for the tax year is not refundable.

4. For purposes of individual and corporate income taxes, the increase in the basis of the property that would otherwise result from the disaster recovery housing investment shall be reduced by the amount of the tax credit allowed under [this section](#).

5. The maximum amount of tax credits issued by the authority under [this section](#) shall not exceed three million dollars in each of the five tax years. The authority shall issue the tax credit certificates on a first-come, first-served basis.

2009 Acts, ch 100, §31, 35

Referred to in [§16.212](#), [422.11X](#), [422.33](#)

Section takes effect May 12, 2009, and applies to disaster recovery housing project costs incurred on or after May 12, 2009, and before July 1, 2010; 2009 Acts, ch 100, §35

16.212 Approval — requirements — repayment.

1. A taxpayer seeking to claim a tax credit pursuant to [section 16.211](#) shall apply to the authority which shall have the power to approve the amount of tax credit available for each disaster recovery housing project.

2. A taxpayer applying for a tax credit shall provide the authority with all of the following:

a. Information showing the total qualified investment made in the disaster recovery housing project.

b. Information about the financing sources that are directly related to the disaster recovery housing project for which the taxpayer is seeking approval for the tax credit.

3. If a taxpayer receives a tax credit pursuant to [section 16.211](#), but fails to comply with any of the requirements in [this section](#) or [section 16.211](#), or fails to comply with local zoning or construction ordinances, the tax credit is void, and the department of revenue shall seek recovery of the value of the credit received.

2009 Acts, ch 100, §32, 35

Section takes effect May 12, 2009, and applies to disaster recovery housing project costs incurred on or after May 12, 2009, and before July 1, 2010; 2009 Acts, ch 100, §35