

House File 764 - Introduced

HOUSE FILE _____
BY COMMITTEE ON ECONOMIC GROWTH
(SUCCESSOR TO HSB 227)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to programs, funds, authority, and duties of the
2 Iowa finance authority.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1303HV 82
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1 1 Section 1. Section 8A.201, subsection 4, Code 2007, is
1 2 amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. h. The Iowa finance authority, including
1 4 the title guaranty division.
1 5 Sec. 2. Section 16.1, subsections 3 and 5, Code 2007, are
1 6 amended to read as follows:
1 7 3. "Bond" means a bond issued by the authority pursuant to
1 8 sections 16.26 to 16.30, and includes a note or other
1 9 instrument evidencing a debt authorized or referred to in this
1 10 chapter.
1 11 5. "Cost" as applied to ~~Iowa small business economic~~
1 12 development loan program projects means the cost of
1 13 acquisition, construction, or both including the cost of
1 14 acquisition of all land, rights-of-way, property rights,
1 15 easements, franchise rights, and interests required for
1 16 acquisition, construction, or both. It also means the cost of
1 17 demolishing or removing structures on acquired land, the cost
1 18 of access roads to private property, including the cost of
1 19 land or easements, and the cost of all machinery, furnishings,
1 20 and equipment, financing charges, and interest prior to and
1 21 during construction and for no more than the greater of
1 22 eighteen months or the period authorized to be capitalized
1 23 under applicable provisions of the Internal Revenue Code after
1 24 completion of construction. Cost also means the cost of
1 25 engineering, legal expenses, plans, specifications, surveys,
1 26 estimates of cost and revenues, as well as other expenses
1 27 incidental to determining the feasibility or practicability of
1 28 acquiring or constructing a project. It also means other
1 29 expenses incidental to the acquisition or construction of the
1 30 project, the financing of the acquisition or construction,
1 31 including the amount ~~authorized in the resolution of the~~
1 32 ~~authority providing for the issuance of bonds, to be paid into~~
1 33 ~~any special funds from the proceeds of the bonds, and the~~
1 34 financing of the placing of a project in operation to be paid
1 35 into any special funds from the proceeds of bonds issued for
2 1 the project, and the financing of the placing of a project in
2 2 operation. It also means all grants, payments, and amounts
2 3 necessary to pay or refund outstanding bonds and all costs for
2 4 which federally tax-exempt bonds may be issued under the
2 5 Internal Revenue Code.
2 6 Sec. 3. Section 16.1, subsections 11 and 12, Code 2007,
2 7 are amended by striking the subsections.
2 8 Sec. 4. Section 16.1, Code 2007, is amended by adding the
2 9 following new subsections:
2 10 NEW SUBSECTION. 14. "Goals" means legislative goals and
2 11 policies as articulated in this chapter.
2 12 NEW SUBSECTION. 14A. "Guiding principles" means the
2 13 principles provided in section 16.4 which shall be considered
2 14 for amplification and interpretation of the goals of the
2 15 authority.
2 16 Sec. 5. Section 16.1, subsections 20 and 21, Code 2007,
2 17 are amended by striking the subsections and inserting in lieu
2 18 thereof the following:

2 19 20. "Internal Revenue Code" means the Internal Revenue
2 20 Code of the United States as it may exist at the time of its
2 21 applicability to the provisions of this chapter.

2 22 21. "Legislative findings" or "findings" means the
2 23 findings established by the general assembly with respect to
2 24 the authority as provided in this chapter.

2 25 Sec. 6. Section 16.1, subsection 29, Code 2007, is amended
2 26 to read as follows:

2 27 29. "Note" means a bond anticipation note or a housing
2 28 development fund note issued by the authority pursuant to this
2 29 chapter. "Note" also includes bonds.

2 30 Sec. 7. Section 16.1, Code 2007, is amended by adding the
2 31 following new subsections:

2 32 NEW SUBSECTION. 29B. "Powers" means all of the general
2 33 and specific powers of the authority as provided in this
2 34 chapter and shall be broadly and liberally interpreted to
2 35 authorize the authority to act in accordance with the goals of
3 1 the authority and in a manner consistent with the legislative
3 2 findings and guiding principles which are reasonably
3 3 necessary.

3 4 NEW SUBSECTION. 29C. "Programs" means any program
3 5 administered by the authority or any program in which the
3 6 authority is directed or authorized to participate pursuant to
3 7 any statute, executive order, or interagency agreement, or any
3 8 other program participation or administration of which the
3 9 authority finds useful and convenient to further the goals and
3 10 purposes of the authority. "Program" shall include but not be
3 11 limited to all of the following:

3 12 a. The housing assistance payments program.
3 13 b. The rent supplements program.
3 14 c. The emergency housing fund program.
3 15 d. The special housing assistance program.
3 16 e. The single-family housing program.
3 17 f. The multifamily housing program.
3 18 g. The title guaranty program.
3 19 h. The housing improvement fund program.
3 20 i. The economic development loan program.
3 21 j. The Iowa economic development bond bank program.
3 22 k. The sewage treatment and drinking facilities financing
3 23 program.

3 24 l. The Iowa tank assistance bond program.
3 25 m. The residential treatment facilities program.
3 26 n. The E-911 program.
3 27 o. The community college dormitory program.
3 28 p. The prison infrastructure program.
3 29 q. The wastewater treatment financial assistance program.
3 30 r. Any other program established by the authority which
3 31 the authority finds useful and convenient to further goals of
3 32 the authority and which is consistent with the legislative
3 33 findings. Such additional programs shall be administered in
3 34 accordance with the guiding principles of the authority after
3 35 such notice and hearing as is determined to be reasonable by
4 1 the authority under the circumstances. Such additional
4 2 programs shall be administered in accordance with rules, if
4 3 any, which the authority determines useful and convenient to
4 4 adopt pursuant to chapter 17A.

4 5 Sec. 8. Section 16.1, subsection 30, Code 2007, is amended
4 6 by striking the subsection and inserting in lieu thereof the
4 7 following:

4 8 30. "Project" means any of the following:

4 9 a. Real or personal property connected with a facility to
4 10 be acquired, constructed, financed, refinanced, improved, or
4 11 equipped pursuant to one or more of the programs.
4 12 b. Refunds, loans, refinancings, grants, or other
4 13 assistance or programs which the authority finds useful and
4 14 convenient to carry out and further the goals of the authority
4 15 and the Iowa economic development bond program. In
4 16 furtherance thereof and not in limitation, "project" shall
4 17 include projects for which bonds or notes may be issued by a
4 18 city or a county pursuant to any power so long as the
4 19 authority finds it is consistent with the goals and
4 20 legislative findings of the authority and the Iowa economic
4 21 development bond program.

4 22 c. Any project for which tax exempt financing is
4 23 authorized by the Internal Revenue Code which the authority
4 24 finds furthers the goals of the authority and is consistent
4 25 with the legislative findings.

4 26 Sec. 9. Section 16.1, subsections 33, 34, 35, and 36, Code
4 27 2007, are amended by striking the subsections.

4 28 Sec. 10. Section 16.1, unnumbered paragraph 2, Code 2007,
4 29 is amended to read as follows:

4 30 The authority ~~shall~~ may establish by rule further
4 31 definitions applicable to this chapter, and clarification of
4 32 the definitions in this section, as it deems convenient and
4 33 necessary including any rules necessary to assure eligibility
4 34 for funds available under federal housing laws, or to assure
4 35 compliance with federal tax laws relating to the issuance of
5 1 tax exempt ~~mortgage subsidy~~ bonds pursuant to the Internal
5 2 Revenue Code } 103A, or relating to the issuance of tax exempt
~~5 3 residential rental property bonds for qualified residential~~
~~5 4 housing under Internal Revenue Code } 103, or relating to the~~
5 5 allowance of low income credits under Internal Revenue Code }
5 6 42.

5 7 Sec. 11. Section 16.2, subsection 1, Code 2007, is amended
5 8 to read as follows:

5 9 1. The Iowa finance authority is established, and
5 10 constituted a public instrumentality and agency of the state
5 11 exercising public and essential governmental functions, to
5 12 undertake programs which assist in attainment of adequate
5 13 housing for low or moderate income families, elderly families,
5 14 and families which include one or more persons with
5 15 disabilities, and to undertake the ~~Iowa homesteading program,~~
~~5 16 the small business loan program, the export business finance~~
~~5 17 program, and other various~~ finance programs. The powers of
5 18 the authority are vested in and shall be exercised by a board
5 19 of nine members appointed by the governor subject to
5 20 confirmation by the senate. No more than five members shall
5 21 belong to the same political party. As far as possible the
5 22 governor shall include within the membership persons who
5 23 represent community and housing development industries,
5 24 housing finance industries, the real estate sales industry,
5 25 elderly families, minorities, lower income families, very low
5 26 income families, families which include persons with
5 27 disabilities, average taxpayers, local government, business
5 28 ~~and international trade~~ interests, and any other person
5 29 specially interested in community housing, finance, or small
5 30 business, ~~or export business development.~~

5 31 ~~A title guaranty division is created within the authority.~~
~~5 32 The powers of the division relating to the issuance of title~~
~~5 33 guaranties are vested in and shall be exercised by a division~~
~~5 34 board of five members appointed by the governor subject to~~
~~5 35 confirmation by the senate. The membership of the board shall~~
6 1 include an attorney, an abstractor, a real estate broker, a
6 2 representative of a mortgage-lender, and a representative of
6 3 the housing development industry. The executive director of
6 4 the authority shall appoint an attorney as director of the
6 5 title guaranty division who shall serve as an ex officio
6 6 member of the board. The appointment of and compensation for
6 7 the division director are exempt from the merit system
6 8 provisions of chapter 8A, subchapter IV.

6 9 a. Members of the board of the division shall be appointed
6 10 by the governor for staggered terms of six years beginning and
6 11 ending as provided in section 69.19. A person shall not serve
6 12 on the division board while serving on the authority board. A
6 13 person appointed to fill a vacancy shall serve only for the
6 14 unexpired portion of the term. A member is eligible for
6 15 reappointment. A member of the division board may be removed
6 16 from office by the governor for misfeasance, malfeasance or
6 17 willful neglect of duty or for other just cause, after notice
6 18 and hearing, unless notice and hearing is expressly waived in
6 19 writing.

6 20 b. ~~Three members of the board shall constitute a quorum.~~
6 21 ~~An affirmative vote of a majority of the appointed members is~~
6 22 ~~necessary for any substantive action taken by the division.~~

6 23 c. Members of the board are entitled to receive a per diem
6 24 as specified in section 7E.6 for each day spent in performance
6 25 of duties as members and shall be reimbursed for all actual
6 26 and necessary expenses incurred in the performance of duties
6 27 as members.

6 28 d. ~~Members of the board and the director shall give bond~~
6 29 ~~as required for public officers in chapter 64.~~

6 30 e. ~~Meetings of the board shall be held at the call of the~~
6 31 ~~chair of the board or on written request of two members.~~

6 32 f. ~~Members shall elect a chair and vice chair annually and~~
6 33 ~~other officers as they determine. The director shall serve as~~
6 34 ~~secretary to the board.~~

6 35 g. ~~The net earnings of the division, beyond that necessary~~
7 1 ~~for reserves, backing, guaranties issued or to otherwise~~
7 2 ~~implement the public purposes and programs authorized, shall~~
7 3 ~~not inure to the benefit of any person other than the state~~
7 4 ~~and are subject to subsection 8.~~

7 5 Sec. 12. NEW SECTION. 16.2A TITLE GUARANTY DIVISION.

7 6 1. A title guaranty division is created within the
7 7 authority. The powers of the division relating to the
7 8 issuance of title guaranties are vested in and shall be
7 9 exercised by a division board of five members appointed by the
7 10 governor subject to confirmation by the senate. The
7 11 membership of the board shall include an attorney, an
7 12 abstractor, a real estate broker, a representative of a
7 13 mortgage lender, and a representative of the housing
7 14 development industry. The executive director of the authority
7 15 shall appoint an attorney as director of the title guaranty
7 16 division, who shall serve as an ex officio member of the
7 17 board. The appointment of and compensation for the division
7 18 director are exempt from the merit system provisions of
7 19 chapter 8A, subchapter IV.

7 20 2. Members of the board of the division shall be appointed
7 21 by the governor for staggered terms of six years beginning and
7 22 ending as provided in section 69.19. A person shall not serve
7 23 on the division board while serving on the authority board. A
7 24 person appointed to fill a vacancy shall serve only for the
7 25 unexpired portion of the term. A member is eligible for
7 26 reappointment. A member of the division board may be removed
7 27 from office by the governor for misfeasance, malfeasance, or
7 28 willful neglect of duty or for other just cause, after notice
7 29 and hearing, unless notice and hearing is expressly waived in
7 30 writing.

7 31 3. Three members of the board shall constitute a quorum.
7 32 An affirmative vote of a majority of the appointed members is
7 33 necessary for any substantive action taken by the division.

7 34 4. Members of the board are entitled to receive a per diem
7 35 as specified in section 7E.6 for each day spent in performance
8 1 of duties as members and shall be reimbursed for all actual
8 2 and necessary expenses incurred in the performance of duties
8 3 as members.

8 4 5. Members of the board and the director shall give bond
8 5 as required for public officers in chapter 64.

8 6 6. Meetings of the board shall be held at the call of the
8 7 chair of the board or on written request of two members.

8 8 7. Members shall elect a chair and vice chair annually and
8 9 other officers as they determine. The director shall serve as
8 10 secretary to the board.

8 11 8. The net earnings of the division, beyond that necessary
8 12 for reserves, backing, guaranties issued, or to otherwise
8 13 implement the public purposes and programs authorized, shall
8 14 not inure to the benefit of any person other than the state
8 15 and are subject to section 16.2, subsection 8.

8 16 Sec. 13. Section 16.3, Code 2007, is amended by adding the
8 17 following new subsections:

8 18 NEW SUBSECTION. 16. Economic development and expansion of
8 19 business, industry, and farming in the state is dependent upon
8 20 the availability of financing of the development and expansion
8 21 at affordable interest rates.

8 22 NEW SUBSECTION. 17. The pooling of private financing
8 23 enhances the marketability of the obligations involved and
8 24 increases access to other state, regional, and national credit
8 25 markets.

8 26 NEW SUBSECTION. 18. The creation of an Iowa economic
8 27 development bond bank program as provided in section 16.102
8 28 will make the pooling of private financing available to small
8 29 businesses, farmers, agricultural landowners and operators,
8 30 and commercial, industrial, and other business enterprises at
8 31 favorable interest rates with reduced marketing costs.

8 32 NEW SUBSECTION. 19. All of the purposes stated in this
8 33 section are public purposes and uses for which public moneys
8 34 may be borrowed, expended, advanced, loaned, or granted.

8 35 Sec. 14. NEW SECTION. 16.3A CONFLICTS OF INTEREST.

9 1 1. If a member or employee of the authority other than the
9 2 executive director of the authority has an interest, either
9 3 direct or indirect, in a contract to which the authority is,
9 4 or is to be, a party, or in a mortgage lender requesting a
9 5 loan from, or offering to sell mortgage loans to, the
9 6 authority, the interest shall be disclosed to the authority in
9 7 writing and shall be set forth in the minutes of the
9 8 authority. The member or employee having the interest shall
9 9 not participate in any action of the authority with respect to
9 10 that contract or mortgage lender.

9 11 A violation of a provision of this subsection is misconduct
9 12 in office under section 721.2. However, a resolution of the
9 13 authority is not invalid because of a vote cast by a member in
9 14 violation of this subsection unless the vote was decisive in
9 15 the passage of the resolution.

9 16 For the purposes of this subsection, "action of the

9 17 authority with respect to that contract or mortgage lender"
9 18 means only an action directly affecting a separate contract or
9 19 mortgage lender, and does not include an action which benefits
9 20 the general public or which affects all or a substantial
9 21 portion of the contracts or mortgage lenders included in a
9 22 program of the authority.

9 23 2. Nothing in this section shall be deemed to limit the
9 24 right of a member, officer, or employee of the authority to
9 25 acquire an interest in bonds or notes of the authority or to
9 26 limit the right of a member or employee other than the
9 27 executive director to have an interest in a bank or other
9 28 financial institution in which the funds of the authority are,
9 29 or are to be, deposited or which is, or is to be, acting as
9 30 trustee or paying agent under a trust indenture to which the
9 31 authority is a party.

9 32 3. The executive director shall not have an interest in a
9 33 bank or other financial institution in which the funds of the
9 34 authority are, or are to be, deposited or which is, or is to
9 35 be, acting as trustee or paying agent under a trust indenture
10 1 to which the authority is a party. The executive director
10 2 shall not receive, in addition to fixed salary or
10 3 compensation, any money or valuable thing, either directly or
10 4 indirectly, or through any substantial interest in any other
10 5 corporation or business unit, for negotiating, procuring,
10 6 recommending, or aiding in any purchase or sale of property,
10 7 or loan, made by the authority, nor shall the executive
10 8 director be pecuniarily interested, either as principal,
10 9 coprincipal, agent, or beneficiary, either directly or
10 10 indirectly, or through any substantial interest in any other
10 11 corporation or business unit, in any such purchase, sale, or
10 12 loan.

10 13 Sec. 15. Section 16.4, unnumbered paragraph 1, Code 2007,
10 14 is amended to read as follows:

10 15 In the performance of its duties and implementation of its
10 16 powers, and in the selection of specific programs and projects
10 17 to receive its assistance, the authority shall be guided by
10 18 the following precatory principles:

10 19 Sec. 16. Section 16.4, subsections 1, 2, 3, and 5, Code
10 20 2007, are amended to read as follows:

10 21 1. The authority shall not become an owner of real
10 22 property constituting a project under any program, except on a
10 23 temporary basis where necessary in order to implement its
10 24 programs, protect its investments by means of foreclosure or
10 25 other means, or to facilitate transfer of real property for
10 26 the use of low or moderate income families.

10 27 2. The authority shall strive to function in cooperation
10 28 with local governmental units and local or regional housing
10 29 agencies, and in fulfillment of local or regional housing
10 30 plans, and to that end shall provide technical assistance to
10 31 local governmental units and local or regional agencies in
10 32 need of that assistance.

10 33 3. ~~When feasible, a local contributing effort shall may~~
10 34 ~~be required of each project assisted by the authority. As~~
~~10 35 used in this subsection, "project" includes one or more~~
~~11 1 programs authorized under the provisions of this chapter. The~~
11 2 local contribution may be provided by local governmental units
11 3 or by local or regional agencies, public or private. ~~Unless~~
~~11 4 otherwise specified in this chapter, the~~ The percentage and
11 5 type of local contribution shall be determined by the
11 6 authority, and may include, but should not be limited to, cash
11 7 match, land contribution, tax abatement, or ancillary
11 8 facilities. The authority shall seek to encourage ingenuity
11 9 and creativity in local effort.

11 10 5. The authority shall seek to encourage cooperative
11 11 housing efforts at the local level, both with respect to the
11 12 cooperation of public bodies with private enterprise and civic
11 13 groups, and with respect to the formation of regional or
11 14 multicounty units engaged in housing.

11 15 Sec. 17. Section 16.4, subsection 6, unnumbered paragraph
11 16 1, Code 2007, is amended to read as follows:

11 17 ~~Wherever~~ With respect to programs relating to housing,
11 18 ~~wherever~~ practicable, the authority shall give preference to
11 19 the following types of programs:

11 20 Sec. 18. Section 16.4, subsection 8, Code 2007, is amended
11 21 by striking the subsection.

11 22 Sec. 19. Section 16.5, Code 2007, is amended to read as
11 23 follows:

11 24 16.5 GENERAL POWERS.

11 25 1. The authority has ~~all of the general any and all powers~~
11 26 ~~needed~~ necessary and convenient to carry out its purposes and
11 27 duties, and exercise its specific powers, including but not

11 28 limited to the power to:
11 29 ~~1- a.~~ Issue its negotiable bonds and notes as provided in
11 30 ~~sections 16.26 to 16.30 this chapter~~ in order to finance its
11 31 programs.
11 32 ~~2- b.~~ Sue and be sued in its own name.
11 33 ~~3- c.~~ Have and alter a corporate seal.
11 34 ~~4- d.~~ Make and alter bylaws for its management consistent
11 35 with the provisions of this chapter.
12 1 ~~5- e.~~ Make and execute agreements, contracts, and other
12 2 instruments of any and all types on such terms and conditions
12 3 as the authority may find necessary or convenient to the
12 4 purposes of the authority, with any public or private entity,
12 5 including but not limited to contracts for goods and services.
12 6 All political subdivisions, public housing agencies, other
12 7 public agencies and state departments and agencies may enter
12 8 into contracts and otherwise ~~co-operate~~ cooperate with the
12 9 authority.
12 10 ~~f.~~ By rule, the board shall adopt procedures relating to
12 11 competitive bidding, including the identification of those
12 12 circumstances under which competitive bidding by the
12 13 authority, either formally or informally, shall be required.
12 14 In any bidding process, the authority may administer its own
12 15 bidding and procurement or may utilize the services of the
12 16 department of administrative services or any other agency.
12 17 Except when such rules apply, the authority and all contracts
12 18 made by it in carrying out its public and essential
12 19 governmental functions with respect to any of its programs
12 20 shall be exempt from the provisions and requirements of all
12 21 laws or rules of the state which require competitive bids in
12 22 connection with the letting of such contracts.
12 23 ~~6- g.~~ Acquire, hold, improve, mortgage, lease, and
12 24 dispose of real and personal property, including, but not
12 25 limited to, the power to sell at public or private sale, with
12 26 or without public bidding, any such property, mortgage loan,
12 27 or other obligation held by it.
12 28 ~~7- h.~~ Procure insurance against any loss in connection
12 29 with its operations and property interests.
12 30 ~~8- i.~~ Fix and collect fees and charges for its services.
12 31 ~~9- j.~~ Subject to an agreement with bondholders or
12 32 noteholders, invest or deposit moneys of the authority in a
12 33 manner determined by the authority, notwithstanding chapter
12 34 12B or 12C.
12 35 ~~10- k.~~ Accept appropriations, gifts, grants, loans, or
13 1 other aid from public or private entities. A record of all
13 2 gifts or grants, stating the type, amount and donor, shall be
13 3 clearly set out in the authority's annual report along with
13 4 the record of other receipts.
13 5 ~~11- l.~~ Provide technical assistance and counseling
13 6 related to the authority's purposes, to public and private
13 7 entities.
13 8 ~~12- m.~~ In cooperation with other local, state, or federal
13 9 governmental agencies, conduct research studies, develop
13 10 estimates of unmet housing needs, and gather and compile data
13 11 useful to facilitate decision making and enter into agreements
13 12 to carry out programs within or without the state which the
13 13 authority finds to be consistent with the goals of the
13 14 authority.
13 15 ~~13- n.~~ Cooperate in the development of, and initiate
13 16 housing demonstration projects.
13 17 ~~14- o.~~ Contract with architects, engineers, attorneys,
13 18 accountants, housing construction and finance experts, and
13 19 other advisors. However, the authority may enter into
13 20 contracts or agreements for such services with local, state,
13 21 or federal governmental agencies.
13 22 ~~15- p.~~ Through the title guaranty division, make and
13 23 issue title guaranties on Iowa real property in a form
13 24 acceptable to the secondary market, to fix and collect the
13 25 charges for the guaranties and to procure reinsurance against
13 26 any loss in connection with the guaranties.
13 27 ~~q.~~ Own or acquire intellectual property rights including
13 28 but not limited to copyrights, trademarks, service marks, and
13 29 patents, and enforce the rights of the authority with respect
13 30 to such intellectual property rights.
13 31 ~~16.~~ Provide moneys to the shelter assistance fund created
13 32 in section 15.349.
13 33 ~~17- r.~~ Make, alter, and repeal rules consistent with the
13 34 provisions of this chapter, and subject to chapter 17A.
13 35 ~~18- s.~~ Establish one or more funds within the state
14 1 treasury under the control of the authority and invest moneys
14 2 of the authority therein. Notwithstanding section 8.33 or
14 3 12C.7, or any other provision to the contrary, moneys invested

14 4 by the treasurer of state pursuant to this subsection shall
14 5 not revert to the general fund of the state and interest
14 6 accrued on the moneys shall be moneys of the authority and
14 7 shall not be credited to the general fund. For purposes of
14 8 this ~~subsection paragraph~~, the treasurer of state shall enter
14 9 into an agreement with the authority to carry out the
14 10 provisions of this ~~subsection paragraph~~.

14 11 t. Select projects to receive assistance by the exercise
14 12 of diligence and care and apply customary and acceptable
14 13 business and lending standards in the selection and subsequent
14 14 implementation of such projects.

14 15 u. Exercise generally all powers typically exercised by
14 16 private enterprises engaged in business pursuits unless the
14 17 exercise of such a power would violate the terms of this
14 18 chapter or the Constitution of the State of Iowa.

14 19 2. Notwithstanding any other provision of law, any
14 20 purchase or lease of real property, other than on a temporary
14 21 basis, when necessary in order to implement the programs of
14 22 the authority, protect the investments of the authority by
14 23 means of foreclosure or other means, or to facilitate the
14 24 transfer of real property for the use of low or moderate
14 25 income families, shall require written notice from the
14 26 authority to the government oversight standing committees of
14 27 the general assembly and the prior approval of the executive
14 28 council.

14 29 3. The powers enumerated in this section are cumulative of
14 30 and in addition to those powers enumerated elsewhere in this
14 31 chapter and no such powers limit or restrict any other powers
14 32 of the authority.

14 33 4. Notwithstanding any other provision of law, the
14 34 authority may elect whether to utilize any or all of the goods
14 35 or services available from other state agencies in the conduct
15 1 of its affairs. Departments, boards, commissions, or other
15 2 agencies of the state shall provide reasonable assistance and
15 3 services to the authority upon the request of the executive
15 4 director.

15 5 Sec. 20. NEW SECTION. 16.5C SPECIFIC PROGRAM POWERS.

15 6 In addition to the general powers of the authority, the
15 7 authority shall have all powers convenient and necessary to
15 8 carry out its programs, including but not limited to the power
15 9 to:

15 10 1. Make property improvement loans and mortgage loans,
15 11 including but not limited to mortgage loans insured,
15 12 guaranteed, or otherwise secured by the federal government or
15 13 by private mortgage insurers, to housing sponsors to provide
15 14 financing of adequate housing for low or moderate income
15 15 families, elderly families, families which include one or more
15 16 persons with disabilities, child foster care facilities, and
15 17 health care facilities.

15 18 2. Provide down payment grants on behalf of low and
15 19 moderate income families to nonprofit sponsors to defray all
15 20 or part of the down payment on real property that is
15 21 transferred by such sponsors to such families under the terms
15 22 of the lease-purchase program.

15 23 3. Make grants and temporary loans, at interest rates and
15 24 on terms as determined convenient and necessary by the
15 25 authority, to defray the local contribution requirement for
15 26 housing sponsors who apply for rent supplement assistance, to
15 27 defray temporary housing costs that result from displacement
15 28 by natural or other disaster, and to defray a portion of the
15 29 expenses required to develop and initiate housing which deals
15 30 creatively with housing problems of low or moderate income
15 31 families, elderly families, and families which include one or
15 32 more persons with disabilities.

15 33 4. Make temporary loans, at interest rates and on terms as
15 34 determined convenient and necessary by the authority, to
15 35 defray development costs for housing for low or moderate
16 1 income families including but not limited to payments for
16 2 options on sites; deposits on contracts and payments for
16 3 purchase; legal and organizational expenses including attorney
16 4 fees, project manager, clerical, and other staff salaries,
16 5 office rent, and other additional expenses; payment of fees
16 6 for preliminary feasibility studies and advances for planning,
16 7 engineering, and architectural work; expenses for tenant
16 8 surveys and market analysis; and necessary application and
16 9 other fees.

16 10 5. Make or participate in the making of property
16 11 improvement loans or mortgage loans for rehabilitation or
16 12 preservation of existing dwellings. The authority may issue
16 13 housing assistance fund notes payable solely from the housing
16 14 assistance fund.

16 15 6. Renegotiate a mortgage loan or loan to a mortgage
16 16 lender in default; waive a default or consent to the
16 17 modification of the terms of a mortgage loan or a loan to a
16 18 mortgage lender; forgive or forbear all or part of a mortgage
16 19 loan or a loan to a mortgage lender; and commence, prosecute,
16 20 and enforce a judgment in any action, including but not
16 21 limited to a foreclosure action, to protect or enforce any
16 22 right conferred upon the authority by law, mortgage loan
16 23 agreement, contract or other agreement, and in connection with
16 24 any such action, bid for and purchase the property or acquire
16 25 or take possession of it, complete, administer, and pay the
16 26 principal of and interest on any obligations incurred in
16 27 connection with the property, and dispose of and otherwise
16 28 deal with the property in a manner as the authority deems
16 29 advisable to protect its interests.

16 30 7. Designate areas of economic distress for purposes of
16 31 section 103A(k)(3)(A)(i) of the Internal Revenue Code.

16 32 8. Purchase, and make advance commitments to purchase,
16 33 residential mortgage loans from mortgage lenders at prices and
16 34 upon terms and conditions it determines consistent with its
16 35 goals and legislative findings. However, the total purchase
17 1 price for all residential mortgage loans which the authority
17 2 commits to purchase from a mortgage lender at any one time
17 3 shall not exceed the total of the unpaid principal balances of
17 4 the residential mortgage loans purchased. Mortgage lenders
17 5 are authorized to sell residential mortgage loans to the
17 6 authority in accordance with this section and the rules of the
17 7 authority. The authority may charge a mortgage lender a
17 8 commitment fee or other fees as set by rule as a condition for
17 9 the authority purchasing residential mortgage loans.

17 10 9. Sell or make advanced commitments to sell residential
17 11 mortgage loans in the organized or unorganized secondary
17 12 mortgage market. The authority may issue and sell securities
17 13 that are secured by residential mortgage loans held by the
17 14 authority. The authority may aggregate the residential
17 15 mortgage loans sold in the secondary market or used as
17 16 security on the mortgage-backed securities. The amount of
17 17 mortgage-backed securities sold shall not exceed the principal
17 18 of the mortgages retained by the authority as security.

17 19 10. File a lien on property where appropriate, convenient,
17 20 and necessary in carrying out a program.

17 21 Sec. 21. Section 16.10, subsection 1, Code 2007, is
17 22 amended to read as follows:

17 23 1. Moneys declared by the authority to be surplus moneys
17 24 which are not required to service bonds and notes issued by
17 25 the authority, to pay administrative expenses of the
17 26 authority, or to accumulate necessary operating or loss
17 27 reserves, shall be used by the authority to provide grants,
17 28 subsidies, and services to lower income families and very low
17 29 income families through the programs authorized in this
17 30 chapter ~~or to provide funds for the residential mortgage~~
17 31 ~~interest reduction program established pursuant to section~~
17 32 ~~16.81 and consistent with legislative findings and guiding~~
17 33 ~~principles.~~ In addition, the authority may use such surplus
17 34 moneys to provide assistance to the local housing assistance
17 35 program established in sections 15.351 through 15.354 for
18 1 purposes of providing assistance to low and moderate income
18 2 families. Surplus moneys shall not be used for infrastructure
18 3 or administration purposes under the local housing assistance
18 4 program.

18 5 Sec. 22. Section 16.15, subsection 1, Code 2007, is
18 6 amended to read as follows:

18 7 ~~±.~~ The authority shall participate in the housing
18 8 assistance payments program under section 8 of the United
18 9 States Housing Act of 1937, as amended by section 201 of the
18 10 Housing and Community Development Act of 1974, Pub. L. No.
18 11 93-383, codified at 42 U.S.C. } 1437 et seq. ~~The purpose of~~
18 12 ~~participation is to enable the authority to obtain, on behalf~~
18 13 ~~of the state of Iowa, set-asides of contract authorization~~
18 14 ~~reserved by the United States secretary of housing and urban~~
18 15 ~~development for public housing agencies, to enter into annual~~
18 16 ~~contributions contracts, to otherwise expedite use of the~~
18 17 ~~program through the use of state housing finance funds, and to~~
18 18 ~~encourage new construction and substantial rehabilitation of~~
18 19 ~~housing suitable for assistance under the program. Assistance~~
18 20 ~~may be provided for existing housing units made available by~~
18 21 ~~owners for the program, as well as for newly constructed~~
18 22 ~~housing units. Maximum rents shall be established by the~~
18 23 ~~authority in conformity with federal law.~~

18 24 Sec. 23. Section 16.15, subsections 2, 3, 4, 5, 6, 7, and
18 25 8, Code 2007, are amended by striking the subsections.

18 26 Sec. 24. Section 16.40, Code 2007, is amended by striking
18 27 the section and inserting in lieu thereof the following:

18 28 16.40 HOUSING ASSISTANCE FUND.

18 29 1. A housing assistance fund is created within the
18 30 authority. The moneys in the fund shall be used by the
18 31 authority to protect, preserve, create, and improve access to
18 32 safe and affordable housing. The authority shall establish
18 33 programs utilizing the fund by administrative rules adopted
18 34 pursuant to chapter 17A and provide the requirements for the
18 35 proper administration of the programs.

19 1 2. Moneys in the fund, including moneys which are annually
19 2 appropriated to the authority, may be allocated for any use
19 3 authorized by this chapter unless otherwise specified.

19 4 3. The authority may use moneys in the fund to provide
19 5 financial assistance to a housing sponsor or an individual in
19 6 the form of a loan, loan guarantee, grant, or interest
19 7 subsidy, or by other means under the general powers of the
19 8 authority.

19 9 4. Moneys in the fund may be used for but are not limited
19 10 to the following purposes:

19 11 a. Home ownership programs including all of the following:

19 12 (1) Authority bond issues and loans to facilitate and
19 13 ensure equal access across the state to funds for first-time
19 14 homebuyers programs.

19 15 (2) Home ownership incentive programs not restricted to
19 16 first-time homebuyers, including down payment and closing
19 17 costs assistance.

19 18 (3) Programs for home maintenance and repair, new
19 19 construction, acquisition, and rehabilitation.

19 20 (4) Support for home ownership education and counseling
19 21 programs.

19 22 b. Rental programs, including rental subsidy,
19 23 rehabilitation, preservation, new construction, and
19 24 acquisition.

19 25 c. Programs that provide a continuum of housing services,
19 26 including construction, operation, and maintenance of homeless
19 27 shelters, domestic violence shelters, and transitional housing
19 28 and supportive services to lower income and very low-income
19 29 families.

19 30 d. Technical assistance programs that increase the
19 31 capacity of for-profit and nonprofit housing entities.

19 32 5. Notwithstanding section 8.33, moneys in the housing
19 33 assistance fund at the end of each fiscal year shall not
19 34 revert to the general fund or any other fund but shall remain
19 35 in the housing assistance fund for expenditure for subsequent
20 1 fiscal years.

20 2 6. The authority may establish, by rule adopted pursuant
20 3 to chapter 17A, an annual administration fee to be charged to
20 4 the housing assistance fund. The annual fee shall not exceed
20 5 four percent of the moneys, loans, or other assets held in the
20 6 fund.

20 7 7. During each regular session of the general assembly,
20 8 the authority shall present to the appropriate joint
20 9 appropriations subcommittee a report concerning the total
20 10 estimated resources to be available for expenditure under this
20 11 section for the next fiscal year and the amount the authority
20 12 proposes to allocate to each program created pursuant to this
20 13 section.

20 14 Sec. 25. Section 16.53, Code 2007, is amended to read as
20 15 follows:

20 16 16.53 RESIDENTIAL REVERSE ANNUITY MORTGAGE MODEL PROGRAM.

20 17 The authority ~~shall~~ may develop a model reverse annuity
20 18 mortgage conforming to the requirements of this chapter, and
20 19 ~~shall~~ may offer reverse annuity mortgages to qualified
20 20 participants.

20 21 Sec. 26. Section 16.73, unnumbered paragraph 1, Code 2007,
20 22 is amended to read as follows:

20 23 The authority ~~shall~~ may adopt rules pursuant to chapter 17A
20 24 relating to the purchase and sale of residential mortgage
20 25 loans and the sale of mortgage-backed securities. The rules
20 26 ~~shall~~ may provide ~~at least~~ for the following:

20 27 Sec. 27. Section 16.91, subsection 1, Code 2007, is
20 28 amended to read as follows:

20 29 1. The authority through the title guaranty division shall
20 30 initiate and operate a program in which the division shall
20 31 offer guaranties of real property titles in this state. The
20 32 terms, conditions and form of the guaranty contract shall be
20 33 forms approved by the division board. The division shall fix
20 34 a charge for the guaranty in an amount sufficient to permit
20 35 the program to operate on a self-sustaining basis, including
21 1 payment of administrative costs and the maintenance of an

21 2 adequate reserve against claims under the title guaranty
21 3 program. A title guaranty fund is created in the office of
21 4 the treasurer of state. Funds collected under this program
21 5 shall be placed in the title guaranty fund and are available
21 6 to pay all claims, necessary reserves and all administrative
21 7 costs of the title guaranty program. Moneys in the fund shall
21 8 not revert to the general fund and interest on the moneys in
21 9 the fund shall be transferred to the department of economic
21 10 development for deposit in the local housing assistance
21 11 program fund established in section 15.354 and shall not
21 12 accrue to the general fund. If the authority board in
21 13 consultation with the division board determines that there are
21 14 surplus funds in the title guaranty fund after providing for
21 15 adequate reserves and operating expenses of the division, the
21 16 surplus funds shall be transferred to the housing ~~program~~
21 17 assistance fund created pursuant to section 16.40.

21 18 Sec. 28. Section 16.102, unnumbered paragraph 1, Code
21 19 2007, is amended to read as follows:

21 20 The authority ~~shall~~ may assist the development and
21 21 expansion of family farming, soil conservation, housing, and
21 22 business in the state through the establishment of the Iowa
21 23 economic development bond bank program. The authority may
21 24 issue its bonds or notes, or series of bonds or notes for the
21 25 purpose of defraying the cost of one or more projects and make
21 26 secured and unsecured loans for the acquisition and
21 27 construction of projects on terms the authority determines.
21 28 For purposes of this section, projects shall include any of
21 29 the following:

21 30 Sec. 29. Section 16.102, subsection 1, Code 2007, is
21 31 amended by striking the subsection.

21 32 Sec. 30. Section 16.106, Code 2007, is amended to read as
21 33 follows:

21 34 16.106 ADOPTION OF RULES.

21 35 The board of directors of the authority shall adopt rules
22 1 pursuant to chapter 17A to implement sections ~~16.101~~ 16.102
22 2 through 16.105.

22 3 Sec. 31. Section 16A.2, subsection 7, Code 2007, is
22 4 amended by striking the subsection.

22 5 Sec. 32. Section 331.361, subsection 4, Code 2007, is
22 6 amended to read as follows:

22 7 4. The board shall not dispose of real property by gift
22 8 except for a public purpose, as determined by the board, in
22 9 accordance with other state law. ~~However, the board may~~
22 10 ~~dispose of real property for use in an Iowa homesteading~~
22 11 ~~program under section 16.14 for a nominal consideration.~~

22 12 Sec. 33. Section 364.7, subsection 3, Code 2007, is
22 13 amended to read as follows:

22 14 3. A city may not dispose of real property by gift except
22 15 to a governmental body for a public purpose. ~~However, a city~~
22 16 ~~may dispose of real property for use in an Iowa homesteading~~
22 17 ~~program under section 16.14 for a nominal consideration,~~
22 18 ~~including but not limited to property in an urban renewal~~
22 19 ~~area.~~

22 20 Sec. 34. Section 403A.3, subsection 10, Code 2007, is
22 21 amended to read as follows:

22 22 10. To ~~co-operate~~ cooperate with the Iowa finance
22 23 authority, to participate in any of its programs, to use any
22 24 of the funds available to the municipality for the uses of
22 25 this chapter to contribute to such programs in which it
22 26 participates, and to comply with the provisions of ~~sections~~
22 27 ~~16.1 to 16.36~~ chapter 16 and the rules of the Iowa finance
22 28 authority promulgated thereunder.

22 29 Sec. 35. Section 422.7, subsection 12, paragraph c,
22 30 unnumbered paragraph 6, Code 2007, is amended to read as
22 31 follows:

22 32 For purposes of this subsection, "small business" means
22 33 ~~small business as defined in section 16.1, subsection 36,~~
22 34 ~~except that it shall also include the operation of a farm a~~
22 35 ~~profit or nonprofit business, including but not limited to an~~
23 1 ~~individual, partnership, corporation, joint venture,~~
23 2 ~~association, or cooperative, to which the following apply:~~

23 3 (1) It is not an affiliate or subsidiary of a business
23 4 dominant in its field of operation.

23 5 (2) It has either twenty or fewer full-time equivalent
23 6 positions or not more than the equivalent of three million
23 7 dollars in annual gross revenues as computed for the preceding
23 8 fiscal year or as the average of the three preceding fiscal
23 9 years.

23 10 (3) It does not include the practice of a profession.

23 11 "Small business" includes an employee-owned business which
23 12 has been an employee-owned business for less than three years

23 13 or which meets the conditions of subparagraphs (1) through
23 14 (3).

23 15 For purposes of this definition, "dominant in its field of
23 16 operation" means having more than twenty full-time equivalent
23 17 positions and more than three million dollars in annual gross
23 18 revenues, and "affiliate or subsidiary of a business dominant
23 19 in its field of operation" means a business which is at least
23 20 twenty percent owned by a business dominant in its field of
23 21 operation, or by partners, officers, directors, majority
23 22 stockholders, or their equivalents, of a business dominant in
23 23 that field of operation.

23 24 The department may, by resolution, waive any or all of the
23 25 requirements of paragraph "b" in connection with a loan to a
23 26 small business, as defined under applicable federal law and
23 27 regulations that have been enacted or adopted by April 1,
23 28 1983, in which federal assistance, insurance, or guaranties
23 29 are sought.

23 30 Sec. 36. Section 422.35, subsection 6, paragraph c,
23 31 unnumbered paragraph 4, Code 2007, is amended to read as
23 32 follows:

23 33 For purposes of this subsection, "small business" means
23 34 ~~small business as defined in section 16.1, subsection 36,~~
23 35 ~~except that it shall also include the operation of a farm a~~
24 1 ~~profit or nonprofit business, including but not limited to an~~
24 2 ~~individual, partnership, corporation, joint venture,~~
24 3 ~~association, or cooperative, to which the following apply:~~

24 4 (1) It is not an affiliate or subsidiary of a business
24 5 dominant in its field of operation.

24 6 (2) It has either twenty or fewer full-time equivalent
24 7 positions or not more than the equivalent of three million
24 8 dollars in annual gross revenues as computed for the preceding
24 9 fiscal year or as the average of the three preceding fiscal
24 10 years.

24 11 (3) It does not include the practice of a profession.

24 12 "Small business" includes an employee-owned business which
24 13 has been an employee-owned business for less than three years
24 14 or which meets the conditions of subparagraphs (1) through
24 15 (3).

24 16 For purposes of this definition, "dominant in its field of
24 17 operation" means having more than twenty full-time equivalent
24 18 positions and more than three million dollars in annual gross
24 19 revenues, and "affiliate or subsidiary of a business dominant
24 20 in its field of operation" means a business which is at least
24 21 twenty percent owned by a business dominant in its field of
24 22 operation, or by partners, officers, directors, majority
24 23 stockholders, or their equivalents, of a business dominant in
24 24 that field of operation.

24 25 The department may, by resolution, waive any or all of the
24 26 requirements of paragraph "b" in connection with a loan to a
24 27 small business, as defined under applicable federal law and
24 28 regulations that have been enacted or adopted by April 1,
24 29 1983, in which federal assistance, insurance, or guaranties
24 30 are sought.

24 31 Sec. 37. Section 446.7, unnumbered paragraph 2, Code 2007,
24 32 is amended to read as follows:

24 33 Parcels against which the county holds a tax sale
24 34 certificate or a municipality holds a tax sale certificate
24 35 acquired under section 446.19, parcels of municipal and
25 1 political subdivisions of the state of Iowa, ~~parcels held by a~~
25 2 ~~city or county agency or the Iowa finance authority for use in~~
25 3 ~~an Iowa homesteading project,~~ or parcels of the state or its
25 4 agencies, shall not be offered or sold at tax sale and a tax
25 5 sale of those parcels is void from its inception. When taxes
25 6 are owing against parcels owned or claimed by a municipal or
25 7 political subdivision of the state of Iowa, ~~parcels held by a~~
25 8 ~~city or county agency or the Iowa finance authority for use in~~
25 9 ~~an Iowa homesteading project,~~ or parcels of the state or its
25 10 agencies, the treasurer shall give notice to the appropriate
25 11 governing body which shall then pay the total amount due. If
25 12 the governing body fails to pay the total amount due, the
25 13 board of supervisors shall abate the total amount due.

25 14 Sec. 38. Section 446.19A, subsection 3, Code 2007, is
25 15 amended to read as follows:

25 16 3. If after the date that a parcel is sold pursuant to
25 17 this chapter, or after the date that a parcel is sold under
25 18 section 446.18, ~~or 446.38, or 446.39,~~ the parcel assessed as
25 19 residential property or as commercial multifamily housing
25 20 property is identified as abandoned or as a vacant lot
25 21 pursuant to a verified statement filed with the county
25 22 treasurer by a city or county in the form set forth in
25 23 subsection 2, a city or county may require the assignment of

25 24 the tax sale certificate that had been issued for such parcel
25 25 by paying to the holder of such certificate the total amount
25 26 due on the date the assignment of the certificate is made to
25 27 the county or city and recorded with the county treasurer. If
25 28 a certificate holder fails to assign the certificate of
25 29 purchase to the city or county, the county treasurer is
25 30 authorized to issue a duplicate certificate of purchase, which
25 31 shall take the place of the original certificate, and assign
25 32 the duplicate certificate to the city or county. If the
25 33 certificate is not assigned by the county or city pursuant to
25 34 subsection 4, the county or city, whichever is applicable, is
25 35 liable for the tax sale interest that was due the certificate
26 1 holder pursuant to section 447.1, as of the date of
26 2 assignment.

26 3 Sec. 39. Section 447.9, subsection 1, Code 2007, is
26 4 amended to read as follows:

26 5 1. After one year and nine months from the date of sale,
26 6 or after nine months from the date of a sale made under
26 7 section 446.18 ~~or 446.39~~, or after three months from the date
26 8 of a sale made under section 446.19A or 446.19B, the holder of
26 9 the certificate of purchase may cause to be served upon the
26 10 person in possession of the parcel, and also upon the person
26 11 in whose name the parcel is taxed, a notice signed by the
26 12 certificate holder or the certificate holder's agent or
26 13 attorney, stating the date of sale, the description of the
26 14 parcel sold, the name of the purchaser, and that the right of
26 15 redemption will expire and a deed for the parcel be made
26 16 unless redemption is made within ninety days from the
26 17 completed service of the notice. The notice shall be served
26 18 by both regular mail and certified mail to the person's last
26 19 known address and such service is deemed completed when the
26 20 notice by certified mail is deposited in the mail and
26 21 postmarked for delivery. The ninety-day redemption period
26 22 begins as provided in section 447.12. When the notice is
26 23 given by a county as a holder of a certificate of purchase the
26 24 notice shall be signed by the county treasurer or the county
26 25 attorney, and when given by a city, it shall be signed by the
26 26 city officer designated by resolution of the council. When
26 27 the notice is given by the Iowa finance authority or a city or
26 28 county agency holding the parcel as part of an Iowa
26 29 homesteading project, it shall be signed on behalf of the
26 30 agency or authority by one of its officers, as authorized in
26 31 rules of the agency or authority.

26 32 Sec. 40. Section 447.12, Code 2007, is amended to read as
26 33 follows:

26 34 447.12 WHEN SERVICE DEEMED COMPLETE == PRESUMPTION.

26 35 Service is complete only after an affidavit has been filed
27 1 with the county treasurer, showing the making of the service,
27 2 the manner of service, the time when and place where made,
27 3 under whose direction the service was made, and costs incurred
27 4 as provided in section 447.13. Costs not filed with the
27 5 treasurer before a redemption is complete shall not be
27 6 collected by the treasurer. Costs shall not be filed with the
27 7 treasurer prior to the filing of the affidavit. The affidavit
27 8 shall be made by the holder of the certificate or by the
27 9 holder's agent or attorney, and in either of the latter cases
27 10 stating that the affiant is the agent or attorney of the
27 11 holder of the certificate. The affidavit shall be filed by
27 12 the treasurer and entered in the county system and is
27 13 presumptive evidence of the completed service of the notice.
27 14 The right of redemption shall not expire until ninety days
27 15 after service is complete. A redemption shall not be
27 16 considered valid unless received by the treasurer prior to the
27 17 close of business on the ninetieth day from the date of
27 18 completed service except in the case of a public bidder
27 19 certificate held by the county in which case the county may
27 20 accept a redemption at any time prior to the issuance of the
27 21 tax deed. However, if the ninetieth day falls on a Saturday,
27 22 Sunday, or a holiday, payment of the total redemption amount
27 23 must be received by the treasurer before the close of business
27 24 on the first business day following the ninetieth day. The
27 25 date of postmark of a redemption shall not be considered as
27 26 the day the redemption was received by the treasurer for
27 27 purposes of the ninety-day time period. ~~When the parcel is
27 28 held by a city or county, a city or county agency, or the Iowa
27 29 finance authority, for use in an Iowa homesteading project,
27 30 whether or not the parcel is the subject of a conditional
27 31 conveyance granted under the project, the affidavit shall be
27 32 made by the treasurer of the county or the county attorney, a
27 33 city officer designated by resolution of the council, or on
27 34 behalf of the agency or authority, by one of its officers as~~

~~27 35 authorized in rules of the agency or authority.~~

28 1 Sec. 41. Section 447.13, unnumbered paragraph 2, Code
28 2 2007, is amended to read as follows:

28 3 The county treasurer shall file the proof of service and
28 4 statement of costs and record these costs against the parcel.
28 5 The certificate holder or the holder's agent shall report in
28 6 writing to the treasurer the amount of authorized costs
28 7 incurred, and the treasurer shall file the statement. Costs
28 8 not filed with the treasurer before a redemption is complete
28 9 shall not be collected by the treasurer and may be recovered
28 10 through a court action against the parcel owner by the
28 11 certificate holder. ~~If the parcel is held by a city or
28 12 county, a city or county agency, or the Iowa finance
28 13 authority, for use in an Iowa homesteading project, whether or
28 14 not the parcel is the subject of a conditional conveyance
28 15 granted under the project, the costs incurred for repairs and
28 16 rehabilitation work required and undertaken in order to make
28 17 the parcel meet applicable building or housing code standards
28 18 shall be added to the amount necessary to redeem.~~

28 19 Sec. 42. Section 533.16, subsection 6, paragraph c, Code
28 20 2007, is amended to read as follows:

28 21 c. A credit union may make loans insured under the
28 22 provisions of Title XX, United States Code, section 1071 to
28 23 section 1087 or similar state programs, loans insured by the
28 24 federal housing administration under Title XII, United States
28 25 Code, section 1703, and loans to families of low or moderate
28 26 income as a part of programs authorized in ~~sections 16.1 to
28 27 16.36 chapter 16.~~

28 28 Sec. 43. Section 654.15, subsection 3, Code 2007, is
28 29 amended by striking the subsection.

28 30 Sec. 44. HOUSING ASSISTANCE FUND. Upon the creation of
28 31 the housing assistance fund pursuant to this Act, all of the
28 32 assets of the authority in the housing program fund created in
28 33 section 16.40, Code 2007, shall be transferred to the housing
28 34 assistance fund.

28 35 Sec. 45. Sections 6B.53, 16.5A, 16.5B, 16.11, 16.12,
29 1 16.13, 16.14, 16.16, 16.17, 16.18, 16.19, 16.22, 16.23, 16.24,
29 2 16.25, 16.29, 16.32, 16.35, 16.36, 16.38, 16.39, 16.43, 16.45,
29 3 16.61, 16.62, 16.63, 16.64, 16.65, 16.71, 16.72, 16.81, 16.82,
29 4 16.83, 16.84, 16.101, 16.121, 16.122, 16.123, 16.124, 16.125,
29 5 and 446.39, Code 2007, are repealed.

29 6 EXPLANATION

29 7 This bill relates to programs, funds, authority, and duties
29 8 of the Iowa finance authority.

29 9 The bill excludes the Iowa finance authority under the term
29 10 "participating agency" for purposes of information technology
29 11 for the department of administrative services.

29 12 The bill reorganizes Code chapter 16 by moving provisions
29 13 relating to legislative findings for the Iowa economic
29 14 development bond bank program; the title guaranty division of
29 15 the authority; limitation of liability for members of the
29 16 authority and persons acting on behalf of the authority;
29 17 conflicts of interest for members, officers, and employees of
29 18 the authority; an exemption from competitive bidding; property
29 19 improvement loans and mortgage loans; lease-purchase
29 20 agreements; the emergency housing fund; special housing
29 21 assistance; housing assistance fund notes; powers relating to
29 22 loans; certain powers regarding the residential mortgage
29 23 marketing program; and liens under the residential mortgage
29 24 interest reduction program.

29 25 The bill creates new definitions of the terms "goals",
29 26 "guiding principles", "powers", "programs", and "projects".
29 27 The bill amends the term "bond" to include a note or other
29 28 instrument evidencing a debt authorized or referred to in Code
29 29 chapter 16. The bill amends the term "cost" to define what is
29 30 included under the term as used in the economic development
29 31 loan program.

29 32 The bill amends the competitive bidding provisions
29 33 applicable to the authority by providing that the board shall
29 34 adopt procedures relating to competitive bidding, including
29 35 the identification of those circumstances under which
30 1 competitive bidding by the authority shall be required. The
30 2 bill allows the authority to administer its own bidding and
30 3 procurement or to utilize the services of the department of
30 4 administrative services or any other agency.

30 5 The bill allows the authority to own or acquire
30 6 intellectual property rights and to enforce the rights of the
30 7 authority with respect to such intellectual property rights.
30 8 The bill eliminates the authority's power to provide moneys to
30 9 the shelter assistance fund. The bill allows the authority to
30 10 select projects to receive assistance by the exercise of

30 11 diligence and care and to apply customary and acceptable
30 12 business and lending standards in the selection and subsequent
30 13 implementation of such projects. The bill allows the
30 14 authority to exercise generally all powers typically exercised
30 15 by private enterprises engaged in business pursuits unless the
30 16 exercise of such a power violates the law. The bill provides
30 17 that any purchase or lease of real property, other than on a
30 18 temporary basis, where necessary in order to implement the
30 19 programs of the authority, protect the investments of the
30 20 authority by means of foreclosure or other means, or to
30 21 facilitate the transfer of real property for the use of low or
30 22 moderate income families, shall require written notice from
30 23 the authority to the government oversight standing committees
30 24 of the general assembly and the prior approval of the
30 25 executive council. The bill provides that the authority may
30 26 elect whether to utilize any or all of the goods or services
30 27 available from other state agencies in the conduct of its
30 28 affairs.

30 29 The bill eliminates the housing program fund and creates a
30 30 housing assistance fund within the authority for purposes of
30 31 protecting, preserving, creating, and improving access to safe
30 32 and affordable housing. The bill requires the authority to
30 33 establish programs utilizing the fund by administrative rules
30 34 and provide the requirements for the proper administration of
30 35 the programs. The bill allows moneys in the fund, including
31 1 moneys which are annually appropriated to the authority, to be
31 2 allocated for any use authorized by Code chapter 16 unless
31 3 otherwise specified. The bill allows the authority to use
31 4 moneys in the fund to provide financial assistance to a
31 5 housing sponsor or an individual in the form of a loan, loan
31 6 guarantee, grant, or interest subsidy, or by other means under
31 7 the general powers of the authority. The bill allows moneys
31 8 in the fund to be used for home ownership programs, rental
31 9 programs, programs that provide a continuum of housing
31 10 services, and technical assistance programs that increase the
31 11 capacity of for-profit and nonprofit housing entities. The
31 12 bill allows the authority to establish an annual
31 13 administration fee to be charged to the housing assistance
31 14 fund which shall not exceed 4 percent of the moneys, loans, or
31 15 other assets held in the fund. The bill provides for a
31 16 biennial reporting requirement to the general assembly
31 17 regarding activities in the fund.

31 18 The bill allows the authority to develop a model reverse
31 19 annuity mortgage and allows the authority to offer such
31 20 mortgages to qualified participants. Currently, the authority
31 21 is required to develop such mortgages and is required to offer
31 22 such mortgages to qualified participants.

31 23 The bill allows the authority to adopt rules relating to
31 24 the purchase and sale of residential mortgage loans and the
31 25 sale of mortgage-backed securities. Currently, the authority
31 26 is required to adopt such rules.

31 27 The bill provides that the moneys and assets of the current
31 28 housing program fund would be transferred to the housing
31 29 assistance fund created by the bill.

31 30 The bill eliminates Code sections and subsections relating
31 31 to legislative findings for the Iowa economic development bond
31 32 bank program; certain nonprofit corporations created by or in
31 33 association with the Iowa finance authority; the housing
31 34 corporation board of directors; authorization to combine
31 35 programs; all provisions for property improvement loans and
32 1 mortgage loans except for the general authority to make such
32 2 loans; all provisions of the lease-purchase agreements program
32 3 except for the general authority to provide down payment
32 4 grants; the Iowa homesteading program; rent supplements; all
32 5 provisions for housing assistance for very low-income and
32 6 lower income families except for the general authority to
32 7 participate in the federal housing assistance payments
32 8 program; all provisions for property improvement loans and
32 9 mortgage loans for rehabilitation or preservation of certain
32 10 existing dwellings except for the general authority to make
32 11 such loans; all provisions regarding housing assistance fund
32 12 notes except for the general authority to issue such notes;
32 13 rules regarding loans to mortgage lenders and purchases of
32 14 mortgage loans; certification of amortization periods;
32 15 applicability of planning, zoning, and building laws; local
32 16 urban homesteading; limitations of certain loans; new
32 17 construction and housing rehabilitation requirements;
32 18 allocation of the state ceiling and qualified mortgage bonds;
32 19 the small business loan program; authority to establish a
32 20 residential mortgage marketing program; certain conditions of
32 21 purchase of a residential mortgage loan from a mortgage

32 22 lender; the residential mortgage interest reduction program;
32 23 all provisions of the housing improvement fund program except
32 24 for the homelessness advisory committee; and the export
32 25 business finance program.
32 26 The bill contains conforming amendments.
32 27 LSB 1303HV 82
32 28 tm:nh/je/5