

House File 2423 - Introduced

HOUSE FILE 2423
BY COMMITTEE ON REBUILD IOWA
AND DISASTER RECOVERY

(SUCCESSOR TO HF 2160)

A BILL FOR

1 An Act relating to loan forgiveness under the residential
2 landlord business support program and including effective
3 date and applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. RENTAL REHABILITATION. Upon approval by the
2 United States department of housing and urban development,
3 forgivable loans made by the department of economic development
4 from community development block grant supplemental disaster
5 recovery funds pursuant to rental rehabilitation guidelines for
6 small and large projects shall be forgivable over a five-year
7 period. One-fifth of the total principal amount loaned shall
8 be forgiven following each full year the recipient owns the
9 property for which the loan was made, beginning on the date of
10 the final disbursement of the forgivable loan proceeds. To
11 each financial award recipient receiving assistance prior to
12 the effective date of this Act, the department of economic
13 development shall offer to renegotiate the terms of the
14 financial assistance award contract in accordance with this
15 Act.

16 Sec. 2. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This
17 Act, being deemed of immediate importance, takes effect upon
18 enactment and applies, upon approval by the United States
19 department of housing and urban development, to contracts
20 entered into before, on, and after the effective date of this
21 Act.

22 EXPLANATION

23 This bill relates to loan forgiveness for loans using
24 community development block grant supplemental disaster
25 recovery moneys for certain rental rehabilitation projects.

26 The bill provides that, upon approval by the United States
27 department of housing and urban development, forgivable loans
28 made by the department of economic development from community
29 development block grant supplemental disaster recovery moneys
30 pursuant to rental rehabilitation guidelines for small and
31 large projects shall be forgivable over a five-year period.
32 The bill provides that, to each financial award recipient
33 receiving assistance prior to the effective date of the
34 bill, the department of economic development shall offer
35 to renegotiate the terms of the financial assistance award

1 contract in accordance with the bill.

2 The bill takes effect upon enactment and applies, upon
3 approval by the United States department of housing and urban
4 development, to contracts entered into before, on, and after
5 the effective date of the bill.