

**House File 2628 - Introduced**

HOUSE FILE 2628

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2406)

(SUCCESSOR TO HSB 619)

**A BILL FOR**

1 An Act relating to the establishment of a disaster recovery  
2 homeowner assistance program and fund administered by the  
3 Iowa finance authority, transfers of moneys to certain  
4 funds, and including effective date provisions.

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

1 Section 1. NEW SECTION. 16.43 Use of revolving loan funds.

2 1. Notwithstanding any other provision of law to the  
3 contrary, the authority may transfer any unobligated and  
4 unencumbered moneys in any revolving loan program fund created  
5 pursuant to section 16.46, 16.47, 16.48, or 16.49, for deposit  
6 in any other fund created under this part.

7 2. a. Any transfer of funds made under this section shall  
8 be reported by the executive director to the legislative fiscal  
9 committee of the legislative council. The report shall be due  
10 not later than the tenth day of each calendar month and shall  
11 cover all fund transfers made in the calendar month immediately  
12 preceding the report. The report shall identify all of the  
13 following:

14 (1) The total dollar amount of each transfer of funds.

15 (2) The date of each transfer of funds.

16 (3) Each fund affected by each transfer of funds.

17 (4) A brief explanation of the reason for each transfer of  
18 funds.

19 (5) Any other information required by the committee.

20 b. A summary of all fund transfers made under this section  
21 shall be included in the legislative fiscal committee's annual  
22 report.

23 Sec. 2. NEW SECTION. 16.44 Disaster recovery homeowner  
24 assistance program and fund.

25 1. As used in this section, unless the context otherwise  
26 requires:

27 a. "Disaster-affected home" means any of the following:

28 (1) A primary residence that is destroyed or damaged due to  
29 a natural disaster that occurs on or after the effective date  
30 of this Act, and is located in a county that due to the natural  
31 disaster is the subject of a state of disaster emergency  
32 proclamation by the governor that authorizes disaster recovery  
33 homeowner assistance.

34 (2) A primary residence that is destroyed or damaged due to  
35 a natural disaster that occurred on or after March 12, 2019,

1 but before the effective date of this Act, and is located in a  
2 county that has been declared a major disaster by the president  
3 of the United States on or after March 12, 2019, but before the  
4 effective date of this Act, and that is also a county in which  
5 individuals are eligible for federal individual assistance.

6 *b. "Fund"* means the disaster recovery homeowner assistance  
7 fund.

8 *c. "Local program administrator"* means any of the following:

9 (1) The cities of Ames, Cedar Falls, Cedar Rapids, Council  
10 Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo,  
11 and West Des Moines.

12 (2) A council of governments whose territory includes at  
13 least one county that is the subject of a state of disaster  
14 emergency proclamation by the governor that authorizes disaster  
15 recovery homeowner assistance on or after the effective date  
16 of this Act.

17 (3) A qualified local organization or governmental entity  
18 as determined by rules as adopted by the authority.

19 *d. "Program"* means the disaster recovery homeowner  
20 assistance program.

21 *e. "Replacement housing"* means housing purchased by a  
22 homeowner to replace a disaster-affected home that is destroyed  
23 or damaged beyond reasonable repair as determined by a local  
24 program administrator.

25 *f. "State of disaster emergency"* means the same as described  
26 in section 29C.6, subsection 1.

27 2. *a.* A disaster recovery homeowner assistance fund  
28 is created within the authority, and the authority shall  
29 administer the fund in a manner to award forgivable loans to  
30 eligible homeowners for purposes of this section.

31 *b.* The fund may consist of any moneys appropriated by the  
32 general assembly for purposes of this section and any other  
33 moneys that are lawfully available to the authority. The  
34 authority shall use any moneys specifically appropriated for  
35 purposes of this section only for the purposes of this section.

1 The authority may use all other moneys in the fund, including  
2 interest, earnings, and recaptures, for purposes of this  
3 section.

4 *c.* Notwithstanding section 8.39, subsections 1 and 3,  
5 and notwithstanding any other law to the contrary, with  
6 the prior written consent and approval of the governor, the  
7 executive director of the Iowa finance authority may transfer  
8 any unobligated and unencumbered moneys in any fund created  
9 pursuant to section 16.5, subsection 1, paragraph "s", for  
10 deposit in the disaster recovery homeowner assistance fund.  
11 The prior written consent and approval of the director of the  
12 department of management shall not be required to transfer the  
13 unobligated and unencumbered moneys.

14 *d.* Notwithstanding section 8.39, subsections 2 and 3, and  
15 notwithstanding any other law to the contrary, with the prior  
16 written approval of the director of the economic development  
17 authority and the prior written approval of the governor, the  
18 executive director of the Iowa finance authority may transfer  
19 any unobligated and unencumbered moneys in any fund created  
20 pursuant to section 15.106A, subsection 1, paragraph "o", for  
21 deposit in the disaster recovery homeowner assistance fund.

22 *e.* (1) Any transfer of funds made pursuant to paragraph  
23 "c" or "d" shall be reported by the executive director to the  
24 legislative fiscal committee of the legislative committee.  
25 The report shall be due not later than the tenth day of each  
26 calendar month and shall cover all fund transfers made in the  
27 calendar month immediately preceding the report. The report  
28 shall identify all of the following:

- 29 (a) The total dollar amount of each transfer of funds.
- 30 (b) The date of each transfer of funds.
- 31 (c) Each fund affected by each transfer of funds.
- 32 (d) A brief explanation of the reason for each transfer of  
33 funds.
- 34 (e) Any other information required by the committee.
- 35 (2) A summary of all fund transfers made pursuant to

1 paragraphs "c" and "d" shall be included in the legislative  
2 fiscal committee's annual report.

3 *f.* Notwithstanding section 8.33, moneys in the fund at the  
4 end of each fiscal year shall not revert to the general fund or  
5 any other fund but shall remain in the fund for expenditure for  
6 subsequent fiscal years.

7 *g.* The authority shall not use more than five percent of  
8 the moneys in the fund at the beginning of a fiscal year for  
9 purposes of administrative costs and other program support.

10 3. The authority shall establish and administer a disaster  
11 recovery homeowner assistance program and shall use moneys in  
12 the fund to award forgivable loans to eligible homeowners of  
13 disaster-affected homes. Moneys in the fund may be expended  
14 following a state of disaster emergency proclamation by  
15 the governor that authorizes disaster recovery homeowner  
16 assistance. The authority may enter into an agreement with one  
17 or more local program administrators to administer the program.

18 4. To be considered for a forgivable loan under the program,  
19 a homeowner must register for the disaster case management  
20 program established pursuant to section 29C.20B. The disaster  
21 case manager may refer the homeowner to the appropriate local  
22 program administrator.

23 5. To be eligible for a forgivable loan under the program a  
24 homeowner must meet all of the following requirements:

25 *a.* The homeowner's disaster-affected home must have  
26 sustained damage greater than the damage that is covered by the  
27 homeowner's property and casualty insurance policy insuring the  
28 home plus any other state or federal disaster-related financial  
29 assistance that the homeowner is eligible to receive.

30 *b.* A local program administrator must deem the homeowner's  
31 disaster-affected home suitable for rehabilitation or damaged  
32 beyond reasonable repair.

33 *c.* If the homeowner is seeking a forgivable loan for the  
34 repair or rehabilitation of the homeowner's disaster-affected  
35 home, the homeowner's disaster-affected home cannot be proposed

1 for buyout by the county or city in which the disaster-affected  
2 home is located.

3 6. *a.* If a homeowner is referred to the authority or to a  
4 local program administrator by the homeowner's disaster case  
5 manager, the authority may award a forgivable loan to the  
6 eligible homeowner for any of the following purposes:

7 (1) Repair or rehabilitation of the homeowner's  
8 disaster-affected home.

9 (2) Down payment assistance on the purchase of replacement  
10 housing and the cost of reasonable repairs to be performed  
11 on the replacement housing to render the replacement housing  
12 decent, safe, sanitary, and in good repair. Replacement  
13 housing purchased by a homeowner shall not be located  
14 in a one-hundred-year floodplain. For purposes of this  
15 subparagraph, "decent, safe, sanitary, and in good repair"  
16 means the same as described in 24 C.F.R. §5.703.

17 *b.* The maximum forgivable loan that the authority may  
18 award to any one eligible homeowner shall be determined by the  
19 authority by rule.

20 *c.* All forgivable loans that are awarded to an eligible  
21 homeowner shall have a five-year term and shall be  
22 interest-free.

23 *d.* A forgivable loan awarded to an eligible homeowner shall  
24 be forgiven by the authority by a uniform percentage on a  
25 monthly basis as determined by rules adopted by the authority.

26 *e.* If a homeowner who has been awarded a forgivable loan  
27 sells a disaster-affected home or replacement housing for which  
28 the homeowner received the forgivable loan prior to the end  
29 of the five-year loan term, the remaining principal on the  
30 forgivable loan shall be due and payable pursuant to rules  
31 adopted by the authority.

32 7. The authority shall adopt rules pursuant to chapter 17A  
33 to implement and administer this section.

34 8. *a.* Ninety calendar days after a state of disaster  
35 emergency proclamation by the governor authorizes disaster

1 recovery homeowner assistance under this section, the authority  
2 shall submit a report to the general assembly identifying all  
3 of the following for the ninety calendar days immediately  
4 preceding the report:

5 (1) The total number of forgivable loans awarded.

6 (2) The total number of forgivable loans, and the amount of  
7 each loan, awarded for repair or rehabilitation of homeowners'  
8 disaster-affected homes.

9 (3) The total number of forgivable loans, and the amount of  
10 each loan, awarded for down payment assistance on the purchase  
11 of replacement housing and the cost of reasonable repairs to be  
12 performed on the replacement housing to render the replacement  
13 housing decent, safe, sanitary, and in good repair.

14 (4) The total number of forgivable loans awarded in each  
15 county in which at least one homeowner has been awarded a  
16 forgivable loan.

17 *b.* The authority shall annually submit by the last day of  
18 February a report to the general assembly that identifies all  
19 of the following for the calendar year immediately preceding  
20 the year of the report:

21 (1) The date of each state of disaster emergency  
22 proclamation by the governor that authorized disaster recovery  
23 homeowner assistance under this section.

24 (2) The total number of forgivable loans awarded.

25 (3) The total number of forgivable loans, and the amount of  
26 each loan, awarded for repair or rehabilitation of homeowners'  
27 disaster-affected homes.

28 (4) The total number of forgivable loans, and the amount of  
29 each loan, awarded for down payment assistance on the purchase  
30 of replacement housing and the cost of reasonable repairs to be  
31 performed on the replacement housing to render the replacement  
32 housing decent, safe, sanitary, and in good repair.

33 (5) The total number of forgivable loans awarded in each  
34 county in which at least one homeowner has been awarded a  
35 forgivable loan.

1 (6) Each local program administrator involved in the  
2 administration of the program.

3 (7) The total amount of principal repaid pursuant to  
4 subsection 6, paragraph "e".

5 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate  
6 importance, takes effect upon enactment.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with  
9 the explanation's substance by the members of the general assembly.

10 This bill relates to the establishment of a disaster  
11 recovery homeowner assistance program and fund administered by  
12 the Iowa finance authority, and transfers of moneys to certain  
13 funds.

14 The bill creates a disaster recovery homeowner assistance  
15 fund (fund) within the Iowa finance authority (authority). The  
16 fund may consist of any moneys appropriated by the general  
17 assembly and any other moneys that are lawfully available to  
18 the authority. The authority may use all moneys in the fund,  
19 including interest, earnings, and recaptures for the purposes  
20 of the fund. Moneys in the fund at the end of each fiscal year  
21 do not revert to any other fund but remain in the fund for  
22 expenditure for subsequent fiscal years. The bill prohibits  
23 the authority from using more than 5 percent of the moneys in  
24 the fund at the beginning of a fiscal year for purposes of  
25 administrative costs and other program support.

26 Notwithstanding any other law to the contrary, the bill  
27 permits the authority to transfer any unobligated and  
28 unencumbered moneys in the revolving loan program funds  
29 created pursuant to Code sections 16.46, 16.47, 16.48, or  
30 16.49, for deposit in any other fund created under Code  
31 chapter 16, part 4. The executive director of the authority  
32 (executive director) is required to report any fund transfers  
33 to the legislative fiscal committee of the legislative  
34 council (legislative committee) on a monthly basis. The  
35 required contents of the report are detailed in the bill. The



1 legislative committee's annual report must include a summary of  
2 all fund transfers. Notwithstanding Code sections 8.39(1) and  
3 8.39(3), and notwithstanding any other law to the contrary, the  
4 bill permits the executive director to transfer any unobligated  
5 and unencumbered moneys in any fund created pursuant to Code  
6 section 16.5(1)(s), for deposit in the disaster recovery  
7 homeowner assistance fund with the prior written consent and  
8 approval of the governor. The prior written consent and  
9 approval of the director of the department of management is  
10 not required to transfer the unobligated and unencumbered  
11 moneys. Notwithstanding Code sections 8.39(2) and 8.39(3),  
12 and notwithstanding any other law to the contrary, the bill  
13 permits the executive director to transfer any unobligated  
14 and unencumbered moneys in any fund created pursuant to Code  
15 section 15.106A(1)(o), for deposit in the disaster recovery  
16 homeowner assistance fund, with the prior written approval of  
17 the director of the economic development authority and the  
18 prior written approval of the governor. The executive director  
19 is required to report all fund transfers to the legislative  
20 committee on a monthly basis. The required contents of the  
21 report are detailed in the bill. The legislative committee's  
22 annual report must include a summary of all of the fund  
23 transfers.

24 The bill directs the authority to establish and administer a  
25 disaster recovery homeowner assistance program (program) and to  
26 use moneys in the fund to provide forgivable loans to eligible  
27 homeowners of disaster-affected homes. "Disaster-affected  
28 home" is defined in the bill as a primary residence that is  
29 destroyed or damaged due to a natural disaster that occurs on  
30 or after the effective date of the bill, and that is located  
31 in a county that due to the natural disaster is the subject  
32 of a state of disaster emergency proclamation by the governor  
33 that authorizes disaster recovery homeowners assistance; or a  
34 primary residence that is destroyed or damaged due to a natural  
35 disaster that occurred on or after March 12, 2019, but before

1 the effective date of the bill, and is located in a county that  
2 has been declared a major disaster by the president of the  
3 United States on or after March 12, 2019, and that is also a  
4 county in which individuals are eligible for federal individual  
5 assistance.

6 The authority may enter into an agreement with one or more  
7 local program administrators (administrator) to administer the  
8 program, and moneys in the fund may be expended following a  
9 state of disaster emergency proclamation by the governor that  
10 authorizes disaster recovery homeowner assistance. "Local  
11 program administrator" is defined in the bill as the cities of  
12 Ames, Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des  
13 Moines, Dubuque, Iowa City, Waterloo, and West Des Moines; and  
14 a council of governments whose territory includes at least one  
15 county that is the subject of the state of disaster emergency  
16 proclamation by the governor that authorizes disaster recovery  
17 homeowner assistance; or a qualified local organization or  
18 governmental entity as determined by rules as adopted by the  
19 authority.

20 To be considered for a forgivable loan under the program,  
21 a homeowner must register for the disaster case management  
22 program established pursuant to Code section 29C.20B. The  
23 homeowner's disaster case manager may refer the homeowner to  
24 the appropriate local program administrator.

25 To be eligible for a forgivable loan under the program,  
26 the bill requires a homeowner to own a disaster-affected home  
27 (home) located in a county that has been proclaimed a state  
28 of disaster emergency by the governor; the home must have  
29 sustained damage greater than the damage that is covered by the  
30 homeowner's property and casualty insurance policy insuring  
31 the home plus any other state or federal disaster-related  
32 financial assistance that the homeowner is eligible to receive;  
33 an administrator must deem the home suitable for rehabilitation  
34 or damaged beyond reasonable repair; and if the homeowner is  
35 seeking a forgivable loan for the repair or rehabilitation of

1 the homeowner's disaster-affected home, the home cannot be  
2 proposed for buyout by the county or city in which the home is  
3 located.

4 If a homeowner is referred to an administrator by the  
5 homeowner's manager, the bill allows the authority to award  
6 a forgivable loan to the eligible homeowner for repair or  
7 rehabilitation of the disaster-affected home, or for down  
8 payment assistance on the purchase of replacement housing,  
9 and the cost of reasonable repairs to be performed on the  
10 replacement housing to render it decent, safe, sanitary, and  
11 in good repair. Replacement housing purchased by a homeowner  
12 cannot be located in a 100-year floodplain. All awarded  
13 forgivable loans must be interest-free and have a five-year  
14 term. The maximum forgivable loan that may be awarded to any  
15 one eligible homeowner shall be determined by the authority  
16 by rule. "Decent, safe, sanitary, and in good repair" is  
17 defined in the bill to mean the same as described in 24 C.F.R.  
18 §5.703. "Replacement housing" is defined in the bill as  
19 housing purchased by a homeowner to replace a disaster-affected  
20 home that is destroyed or damaged beyond reasonable repair as  
21 determined by a local program administrator.

22 A uniform percentage of a forgivable loan awarded to a  
23 homeowner must be forgiven by the authority on a monthly  
24 basis as determined by rules adopted by the authority. If  
25 a homeowner who has been awarded a forgivable loan sells a  
26 disaster-affected home or replacement housing for which the  
27 homeowner received the forgivable loan prior to the end of  
28 the five-year term, the remaining principal on the forgivable  
29 loan becomes due and payable pursuant to rules adopted by the  
30 authority.

31 Ninety calendar days after a state of disaster emergency  
32 proclamation by the governor authorizes disaster recovery  
33 homeowner assistance under the program, the authority must  
34 submit a report to the general assembly that covers the 90  
35 calendar days immediately preceding the report. The authority

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1 must also submit an annual report to the general assembly for  
2 the calendar year immediately preceding the year of the report.  
3 The required contents of each report are detailed in the bill.  
4 The authority is required to adopt rules to implement and  
5 administer the fund and the program.  
6 The bill takes effect upon enactment.