

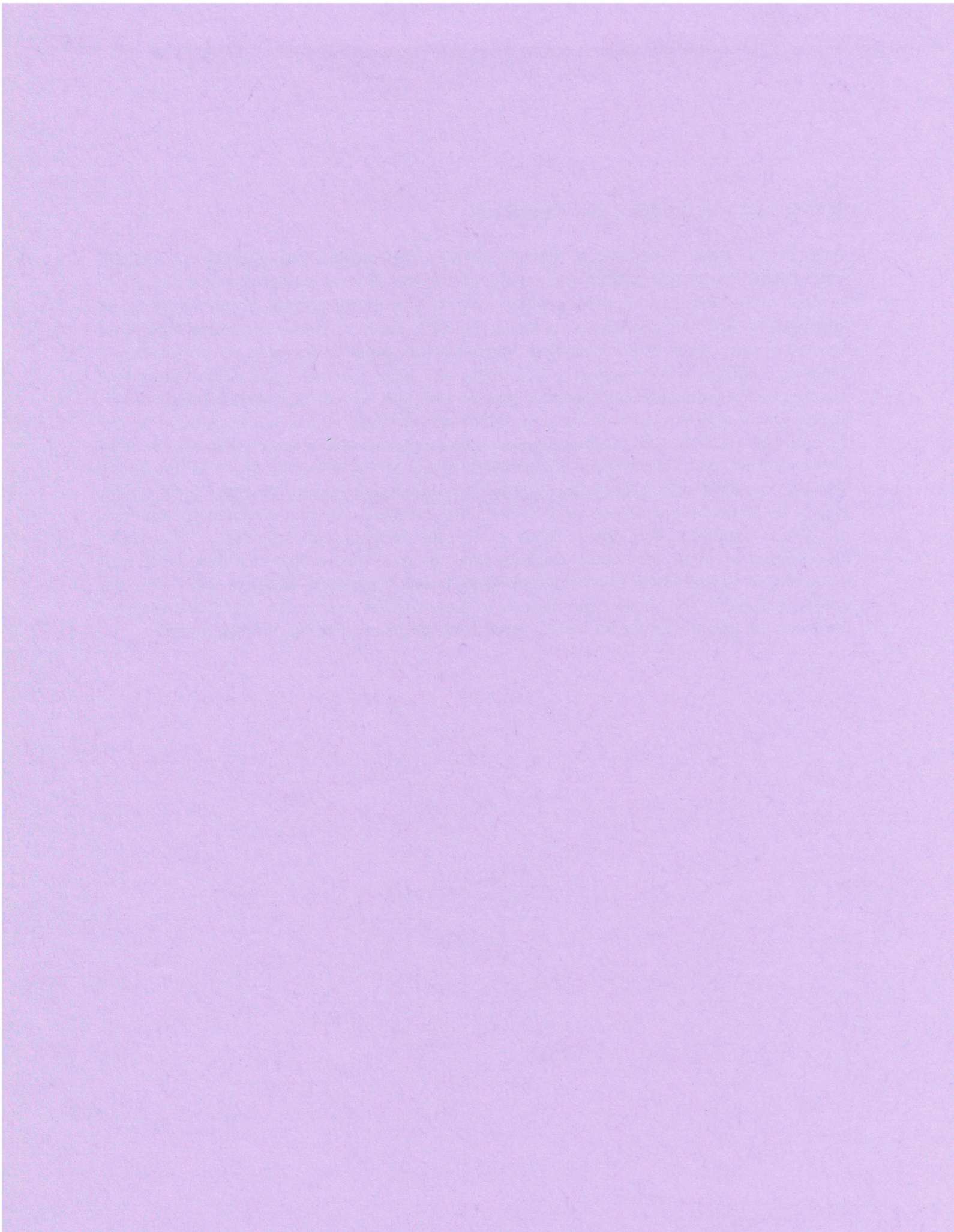
**SB 2014 Industrial Commission - DMR Budget**

	<b>Governor's Recommended</b>	<b>DMR Requested</b>
<b>21-23 Base Level FTE</b>	<b>105.50</b>	<b>105.50</b>
<b>Salaries and Benefits</b>		
21-23 Base Level Salaries & Benefits	\$21,911,356	\$21,911,356
Base payroll changes	\$292,009	\$292,009
Remove 1 FTE computer network specialist position	(\$222,366)	(\$222,366)
Remove 1 FTE engineering technician position	(\$180,551)	(\$180,551)
Decrease temp salaries	(\$60,000)	(\$60,000)
Governor removed 1st yr funding for 7 FTE	(\$663,396)	
Underfunding salaries	(\$214,360)	
Governor's 21-23 pay plan increase:		
Salaries	\$607,782	\$607,782
Retirement	\$114,051	\$114,051
Health Insurance	\$4,824	\$4,824
<b>Total Salary and Benefits</b>	<b>\$21,589,349</b>	<b>\$22,467,105</b>
<b>Operating</b>		
21-23 Base Level Operating	\$5,351,302	\$5,351,302
Reductions-mostly Travel (fleet rates down \$0.24/mi)	(\$724,042)	(\$724,042)
Remove 1 FTE computer network specialist position	(\$3,220)	(\$3,220)
Remove 1 FTE engineering technician position	(\$3,138)	(\$3,138)
Increase funding for Microsoft Office 365 licensing	\$11,389	\$11,389
Operating 1-time equipment needs:		
Custom air chamber (Paleontology lab)		\$2,500
WiFi (Paleontology lab)		\$3,100
<b>Total Operating</b>	<b>\$4,632,291</b>	<b>\$4,637,891</b>
<b>Capital Assets</b>		
21-23 Base Level Capital Assets	\$0	\$0
Capital Asset 1-time equipment needs:		
Scanner/printers (Geological Survey & Oil & Gas)		\$20,000
Wide-bed plotters (Geo Survey & Core Library)		\$12,338
Drone & mobile station (Geological Survey)		\$10,200
Trimble mobile receiver & software (Geo Survey)		\$14,385
Microscope (Geological Survey)		\$6,400
Scope & camera (Paleontology lab)		\$21,565
Dust collector (Paleontology lab)		\$10,650
Pallet rack shelving (Paleontology lab)		\$5,122
<b>Total Capital Assets</b>	<b>\$0</b>	<b>\$100,660</b>
<b>Contingent Positions</b>		
21-23 Base Level Contingent Positions	\$229,544	\$229,544
Remove 2 FTE contingent positions	(\$229,544)	(\$229,544)
Governor's 21-23 pay plan increase	\$3,330	
<b>Total Contingent Positions</b>	<b>\$3,330</b>	<b>\$0</b>
<b>Total Expenditures</b>	<b>\$26,224,970</b>	<b>\$27,205,656</b>
Less Estimated Income	\$238,004	\$238,004
Total General Fund	\$25,986,966	\$26,967,652
<b>Total FTE</b>	<b>101.50</b>	<b>101.50</b>



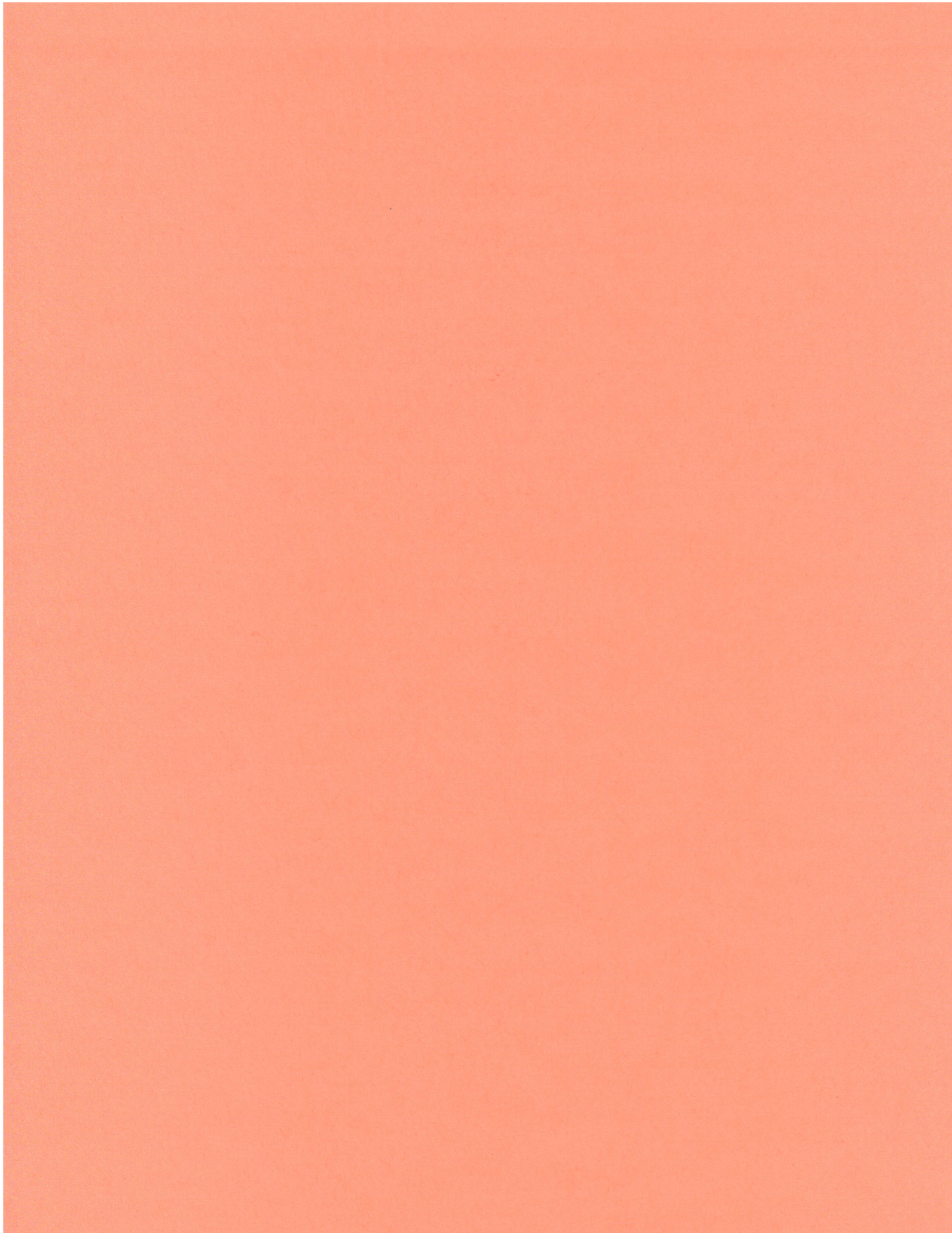
## REVISED Lignite Research Program amendment

**SECTION XX. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite research fund, or so much of the amount as may be necessary, may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section also may be used for the purpose of contracting for nonmatching studies and activities in support of the ~~lignite vision 21 program~~ advanced energy technology program and other technology development efforts; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys needed for the purposes stated in this section are available to the industrial commission for funding projects, processes, or activities under the lignite research, development, and marketing program.



## Oil and Gas Research Program amendment

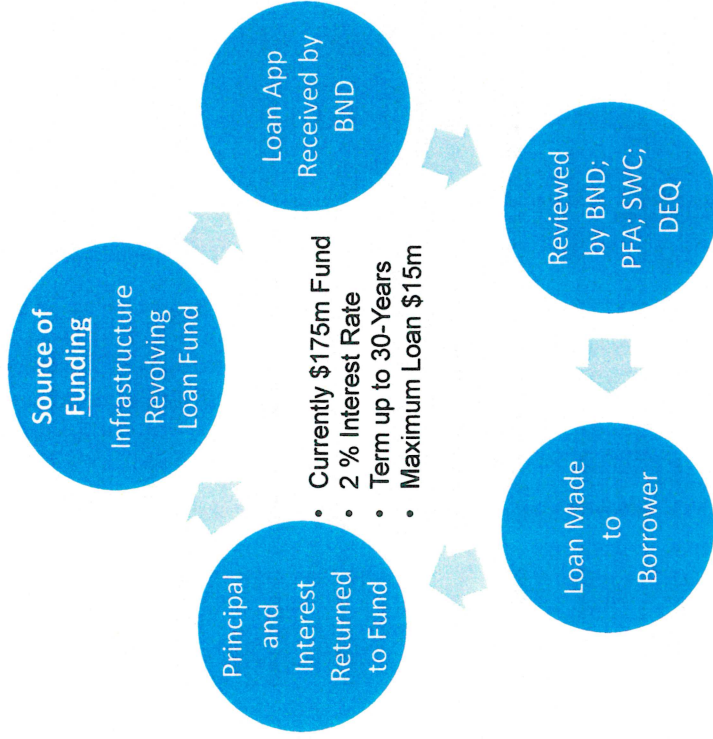
**SECTION XX. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - OIL AND GAS RESEARCH FUND - PILOT PROJECT FOR UNDERGROUND GAS STORAGE.** 1. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the oil and gas research fund, for the period beginning August 1, 2021, and ending July 31, 2023, the state treasurer shall deposit two percent of the oil and gas gross production tax and oil extraction tax revenues, up to \$16,000,000, into the oil and gas research fund before depositing oil and gas tax revenues under section 57-51.1-07.5. 2. Pursuant to the continuing appropriation in section 57-51.1-07.3, the industrial commission shall expend the remaining monies authorized in section 25 of chapter 14 of the 2019 Session Laws from the oil and gas research fund pursuant to the contract with the energy and environmental research center for pilot projects relating to the underground storage of produced natural gas. The pilot projects may include studies and demonstration projects. During the 2021-22 interim, the energy and environmental research center shall provide quarterly reports to the industrial commission and at least one report to the legislative management regarding the results and recommendations of the pilot project.



## Summary of proposed amendment to Infrastructure Revolving Loan Fund in 6-09-49

- Bullet Point 1 Replicates existing language and identifies a new section 7, 8 and 9.
- Bullet Point 2 Replicates existing language enabling BND to administer the program
- Bullet Point 3 Replicates existing language setting the interest rate at 2%. Establishes a loan term for a political subdivision to be a maximum of the lesser of the useful life or 30-years and the lesser of the useful life or 40-years for roads, bridges and water supply projects.
- Bullet Point 4 Replicates existing continuing appropriation language and service fee.
- Bullet Point 5 Replicates existing language requiring a political subdivision to guarantee the loan.
- Bullet Point 6 Replicates existing language in requiring BND to underwrite the loan. Increases the maximum outstanding loan to \$40m for essential infrastructure projects in Section 7 for political subdivisions. Maximum loan amounts in Section 8 for roads and bridges and Section 9 for water infrastructure to be established by the Legislature.
- Bullet Point 7 Replaces the existing definition of “essential infrastructure” with the definitions used in Operation Prairie Dog from the 2019 session.
- Bullet Point 8 New language provides for DOT to approve county road and bridge projects. Enables DOT to establish policies for the review and approval of loans.
- Bullet Point 9 New language provides for the State Water Commission to review projects for new water infrastructure and defines the projects eligible under the section.

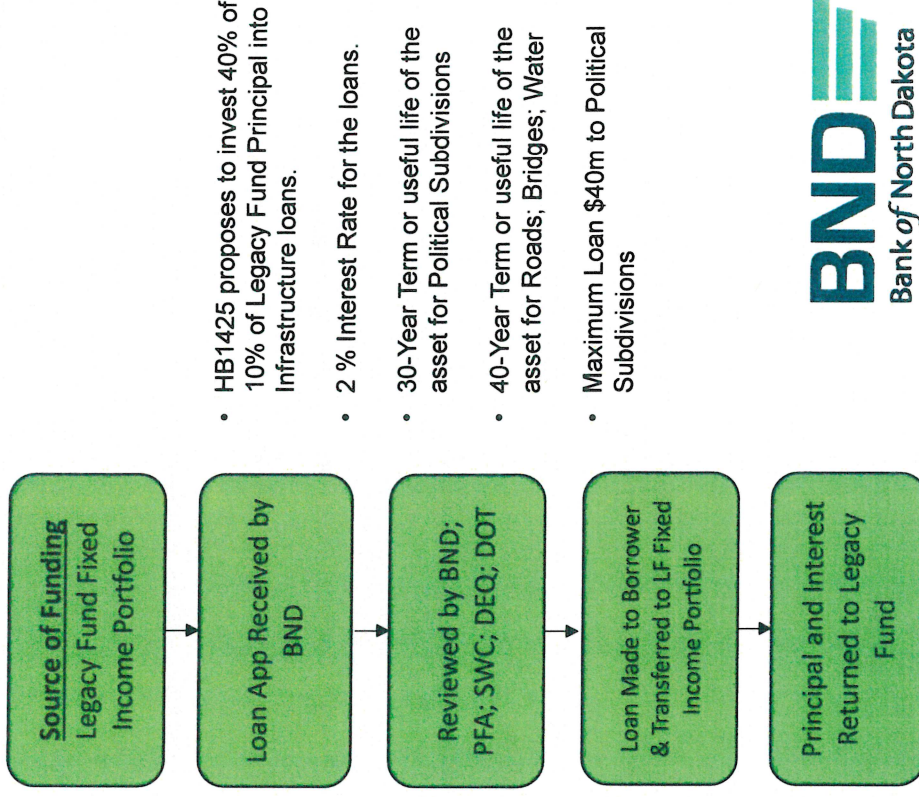
## Existing Infrastructure Revolving Loan Fund Administered by BND in 6-09-49



### Notes

- The intent is to create a uniform definition and loan terms between current and proposed infrastructure funding mechanisms.
- Includes the definition for “useful life of the asset” to match loan term with asset life.
- Proposes to increase maximum loan to \$40 million as a place holder until second half of session.

## Infrastructure Loan Program Proposed In HB1425 Utilizing Investments from Legacy Fund





revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

**Infrastructure revolving loan fund - Bank of North Dakota - Continuing appropriation.**

1. The infrastructure revolving loan fund is a special fund in the state treasury from which Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall use moneys in the fund to provide loans to political subdivisions for eligible infrastructure projects pursuant to subsections 7, 8 and 9.
2. The Bank may adopt policies and establish guidelines to administer the loan program in accordance with this section, including policies to supplement and leverage the moneys in the fund and policies to allow participation by local financial institutions.
3. A loan made from the fund must have an interest rate that does not exceed two percent per year. The maximum term of a loan for an infrastructure project under subsection 7 is thirty years or the useful life of the project, and the maximum term for a loan for an infrastructure project under Subsections 8 and 9 is forty years or the useful life of the project.
4. All principal and interest payments received on loans made from the infrastructure revolving loan fund must be deposited into the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay administrative costs, which may not exceed one-half of one percent of the amount of the amount of the outstanding loans. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
5. An applicant shall issue an evidence of indebtedness as authorized by law.
6. In processing political subdivision loan applications, the Bank shall calculate the maximum outstanding loan amount per qualified applicant. The maximum outstanding loan amount for infrastructure projects under subsection 7 is forty million dollars. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
7. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure, which provide the fixed installations necessary for the function of a political subdivision and are in the public interest. Capital construction projects exclude routine maintenance and repair projects, but include the following:
  - a. Water treatment plants;
  - b. Wastewater treatment plants;
  - c. Sewer lines and water lines, including lift stations and pumping systems;
  - d. Water storage systems, including dams, water tanks, and water towers;
  - e. Storm water infrastructure, including curb and gutter construction;

f. Road and bridge infrastructure, including paved and unpaved roads and bridges;

g. Airport infrastructure;

h. Electricity transmission infrastructure;

i. Natural gas transmission infrastructure;

j. Communications infrastructure;

k. Emergency services facilities, excluding hospitals; and

l. Essential political subdivision buildings and infrastructure.

m. The Red River valley water supply project.

8. The department of transportation shall approve county road and bridge projects. The department of transportation may adopt policies for the review and approval of loans under this section.
9. The State Water Commission shall review and approve eligible projects to construct new water related infrastructure or to replace existing water-related infrastructure, which provide the fixed installations necessary for the function of a political subdivision and are in the public interest. The state water commission may adopt policies for the review and approval of loans under this section. Capital construction projects exclude routine maintenance and repair projects, but include the following:
  - a. Flood control;
  - b. Conveyance projects;
  - c. Rural water supply;
  - d. Water supply; and
  - e. General water management

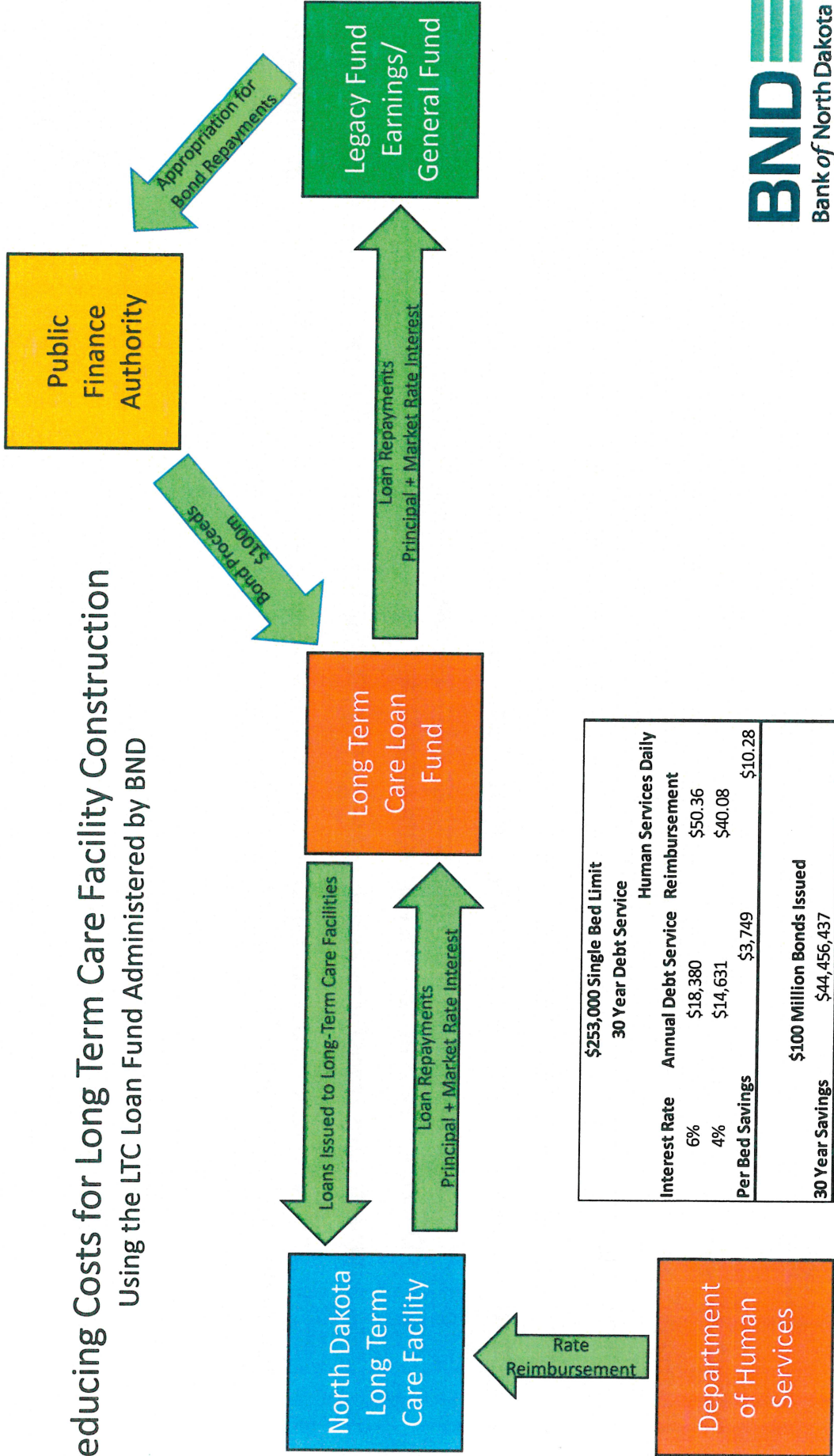
## Long-Term Care Facility Loan Fund Proposed Amendment

Why? An effort to reduce financing costs related to construction of Medicaid beds via Human Services reimbursement. Intent is to lower the interest rate.

1. Utilizes existing loan program in 6-09-16 administered by BND with loans approved by Human Services.
2. Amendment Proposes to provide \$100 million in bonding authority to Public Finance Authority
3. Bond proceeds are transferred to LTC Facility Loan Fund, administered by BND
4. Loan application is made to Human Services who reviews and approves loans. Loan then made by Bank of North Dakota. (Similar to process used with SCALF loans between DPI and BND.)
5. Loan payments are transferred back through the LTC Facility Loan Fund to the General Fund
6. Also amends the loan program parameters in Human Services code in 50-30 to unify loan language; remove threshold level of \$1 million per loan and eliminate the loan preference for conversion of facilities.

# Reducing Costs for Long Term Care Facility Construction

## Using the LTC Loan Fund Administered by BND



\$253,000 Single Bed Limit 30 Year Debt Service		Human Services Daily	
Interest Rate	Annual Debt Service	Reimbursement	
6%	\$18,380	\$50.36	
4%	\$14,631	\$40.08	
		\$3,749	\$10.28
<b>Per Bed Savings</b>			
\$100 Million Bonds Issued			
<b>30 Year Savings</b>		\$44,456,437	



PROPOSED AMENDMENTS TO SENATE BILL NO. 2014

Page 1, line 2, after the first semicolon insert "to create and enact a new section to chapter 6-09.4 of the North Dakota Century Code, relating to bonded debt repayments; to amend and reenact sections 6-09.4-06, 6-09.4-10, 6-09.16-02, 6-09.16-03, 6-09.16-05, and 50-30-04 of the North Dakota Century Code, relating to a Bank of North Dakota and public finance authority program for financing long-term care facilities; to provide a continuing appropriation; to provide a bond limit;"

Page 6, after line 11, insert:

**"SECTION 14. PUBLIC FINANCE AUTHORITY - BOND ISSUE LIMITATION - BANK OF NORTH DAKOTA - APPROPRIATION.**

1. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority may transfer to the Bank of North Dakota up to \$100,000,000 of bond proceeds for project allocations to the long-term care facility loan fund, for the biennium beginning July 1, 2021, and ending June 30, 2023.
2. The term of any bonds issued under this section may not exceed thirty years. The public finance authority may issue bond anticipation notes or borrow from the Bank of North Dakota to support the allocations to the long-term care facility loan fund to a bond issue. The public finance authority shall make available up to ten percent of the bonds for sale directly to North Dakota residents and financial institutions.
3. After payment of any issuance costs or any transfers to a reserve fund, \$100,000,000 from the bond proceeds issued by the public finance authority is appropriated to the Bank of North Dakota for allocations to the long-term care facility loan fund, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 15. AMENDMENT.** Section 6-09.4-06 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.4-06. Lending and borrowing powers generally.**

1. The public finance authority may lend money to political subdivisions or other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has

determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.

2. The public finance authority may lend money to the Bank of North Dakota under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for assistance under the revolving loan fund program established by chapter 61-28.2.
3. The public finance authority may transfer money to the Bank for allocations to the long-term care facility loan under chapter 6-09.16. Bonds issued for these purposes are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from a reserve fund established for the bonds. This section may not be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or to replenish a related reserve fund. Neither the obligation of the agency to pay such loan payments nor the obligation of the issuer to pay debt service constitutes a debt of the state or any agency or political subdivision of the state. In addition to providing funds for the transfer, the public finance authority may use the bond proceeds to pay the costs of issuance of the bonds and establish a reserve fund for the bonds.
4. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
5. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

**SECTION 16. AMENDMENT.** Section 6-09.4-10 of the North Dakota Century Code is amended and reenacted as follows:

#### **6-09.4-10. Reserve fund.**

1. The public finance authority shall establish and maintain a reserve fund in which there must be deposited all moneys appropriated by the state for the purpose of the fund, all proceeds of bonds required to be deposited therein by terms of any contract between the public finance authority and its bondholders or any resolution of the public finance authority with respect to the proceeds of bonds, any other moneys or funds of the public finance authority which it determines to deposit therein, any contractual right to the receipt of moneys by the public finance authority for the purpose of the fund, including a letter of credit or similar instrument, and any other moneys made available to the public finance authority only for the purposes of the fund from any other source or sources. Moneys in the reserve fund must be held and applied solely to the payment of the interest on and the principal of bonds and sinking fund payments as the same become due and payable and for the retirement of bonds, including payment of any redemption premium required to be paid when any bonds are redeemed or retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and sinking fund payments and for the retirement of bonds in accordance with the terms of any contract between the public finance authority and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds, other moneys of the public finance authority are not then available in accordance with the terms of the contract. The required debt service reserve must be an aggregate amount equal to at least the largest amount of money required by the terms of all contracts between the public finance authority and its bondholders to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of outstanding bonds, and sinking fund payments required by the terms of any contracts to sinking funds established for the payment or redemption of the bonds.
2. If the establishment of the reserve fund for an issue or the maintenance of an existing reserve fund at a required level under this section would necessitate the investment of all or any portion of a new reserve fund or all or any portion of an existing reserve fund at a restricted yield, because to not restrict the yield may cause the bonds to be taxable under the Internal Revenue Code, then at the discretion of the public finance authority no reserve fund need be established prior to the issuance of bonds or the reserve fund need not be funded to the levels required by other subsections of this section or an existing reserve fund may be reduced.
3. No bonds may be issued by the public finance authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and the bonds to be issued. Nothing in this chapter prevents or precludes the public finance authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve. The public finance authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service

reserve, or to meet such higher or additional reserve as may be fixed by the public finance authority with respect to such fund.

4. In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve. However, the commission may approve a resolution for the issuance of bonds, as provided by section 6-09.4-06, which states in substance that this subsection is not applicable to the required debt service reserve for bonds issued under that resolution.
5. If the maturity of a series of bonds of the public finance authority is three years or less from the date of issuance of the bonds, the public finance authority may determine that no reserve fund need be established for that respective series of bonds. If such a determination is made, holders of that respective series of bonds may have no interest in or claim on existing reserve funds established for the security of the holders of previously issued public finance authority bonds, and may have no interest in or claim on reserve funds established for the holders of subsequent issues of bonds of the public finance authority.
6. The industrial commission may determine that this section is inapplicable in whole or in part for bonds issued under section 6-09.4-06, section 6-09.4-24, or under the public finance authority's state revolving fund program.

**SECTION 17.** A new section to chapter 6-09.4 of the North Dakota Century Code is created and enacted as follows:

**Debt service requirements - Bonds for long-term care facility loan fund.**

Each biennium, the public finance authority shall request from the legislative assembly an appropriation from the general fund, derived from legacy fund earnings, Bank of North Dakota profits, or other sources to meet the debt service requirements or bonds issued by the authority for allocations for the long-term care facility loan fund under chapter 6-09.16.

**SECTION 18. AMENDMENT.** Section 6-09.16-02 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.16-02. Long-term care facility loan fund - Continuing appropriation.**

1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to nursing facilities, basic care facilities, or assisted living facilities for capital construction and renovation projects.
2. All moneys transferred into the fund, ~~interest upon moneys in the fund, and collections of interest and principal on loans made from the fund~~ are appropriated for disbursement pursuant to the requirements of this chapter. All interest upon moneys in the fund and collections of interest and principal on loans made from the fund must be returned to the state's general fund at the beginning of each biennium.



**SECTION 19. AMENDMENT.** Section 6-09.16-03 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.16-03. Long-term care facility loan fund.**

1. There is created a long-term care facility loan fund. The fund consists of ~~revenue transferred from the North Dakota health care trust fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund~~ bond proceeds transferred from the public finance authority.
2. The Bank of North Dakota shall administer the loan fund. Funds in the loan fund may be used for:
  - a. Loans as provided in this chapter and as approved by the department under chapter 50-30; ~~and.~~
  - b. The costs of administration of the fund. Annually, the Bank of North Dakota may deduct a service fee of one-half of one percent of the principal balance of the outstanding loans for administering the long-term care facility loan fund maintained under this section.
  - c. The costs of an annual audit of the fund and any other actual costs incurred by the Bank on behalf of the fund.
3. ~~Any money in the fund not required for use under subsection 2 must be transferred to the North Dakota health care trust fund.~~

**SECTION 20. AMENDMENT.** Section 6-09.16-05 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.16-05. Amount of loans - Terms and conditions.**

Loans in an amount not exceeding ninety percent of project costs may be made by the Bank of North Dakota from the fund maintained pursuant to this chapter. Such loans must bear interest at a rate of two percent of the outstanding principal balance of the loan. In consideration of the making of a loan under this chapter, each borrower shall execute a contract with the department to operate the project in accordance with standards established under chapter 50-30. The contract must also provide that if the use of the project is discontinued or diverted to purposes other than those provided in the loan application without written consent of the department, the full amount of the loan provided under this chapter immediately becomes due and payable. ~~The Bank of North Dakota may annually deduct, as a service fee for administering the loan fund maintained under this chapter, one-half of one percent of the principal balance of the outstanding loans from the fund.~~

**SECTION 21. AMENDMENT.** Section 50-30-04 of the North Dakota Century Code is amended and reenacted as follows:

**50-30-04. Long-term care facility loans.**

1. The department may approve loans from the long-term care facility loan fund established under chapter 6-09.16 for capital construction and renovation projects involving a nursing facility, basic care facility, or assisted living facility.

2. An approved loan for any project may not exceed ~~one million dollars or~~ ninety percent of the project cost, ~~whichever is less.~~
3. ~~The department shall give preference for loan approval to an applicant that is converting nursing facility bed capacity to basic care bed capacity.~~
4. No loan may be approved unless the applicant agrees to repay to the long-term care facility loan fund the outstanding balance of the loan and any accrued interest if the applicant or its successor in interest ceases to operate the project or facility financed by the loan proceeds during the ten-year period after the date the applicant began operation of the project or facility or fails to commence operations within a reasonable time.
- 5.4. In addition to other remedies provided by law or contract, the department may deduct the amount of any refund due from a recipient of a loan from any money owed by the department to such recipient or the recipient's successor in interest."

Renumber accordingly

## **Proposed Amendment for HFA to service and origination loans**

### **54-17-07.3. Housing finance programs.**

Acting in its capacity as a state housing finance agency, the industrial commission is authorized to establish the following housing finance programs:

1. Home mortgage finance program. A program or programs to provide financing or refinancing of loans made by lenders, including second mortgage loans and leasehold mortgage loans on tribal trust or other reservation lands, and leasehold mortgage loans that are insured, guaranteed, or assisted through an affordable housing program, to persons or families of low and moderate income for the purchase or substantial rehabilitation of owner occupied, single-family residential dwelling units, which includes mobile homes and manufactured housing. The commission may also authorize a program to provide refinancing of loans previously made by lenders and purchased under the home mortgage finance program.

2. The Housing Finance Agency may purchase, service and sell residential real estate loans secured by a first mortgage lien on real property originated by financial institutions. The loans may be held in the Housing Finance Agency portfolio or sold on the secondary market with servicing retained. All loans which are in excess of 80 percent of loan to value, and which are not guaranteed by a U.S. agency, must be insured by a private mortgage insurance company approved by Freddie Mac or Fannie Mae.

2.3. Mobile home and manufactured housing finance program. A program or programs to provide for the purchase or guaranty of a loan made by a lender to finance the purchase of a mobile home or a manufactured housing unit other than on a real property mortgage basis. A program authorized under this subsection may provide assistance in the development of low-income to moderate-income housing or to otherwise assist a developing community in the state address an unmet housing need or alleviate a housing shortage.

3.4. Multifamily housing finance program. A program or programs to provide financing directly or indirectly of construction, permanent, and combined construction and permanent mortgage loans, including participations in mortgage loans, for the acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of multifamily housing facilities. As part of the program, the industrial commission, acting in its capacity as a state housing finance agency, may enter a public and private partnership with any interested private entity and accept any gift, grant, or other type of financial aid or assistance, including a contribution to the housing incentive fund, to provide financing for the construction or rehabilitation of a multifamily housing facility in a developing community in the state to address an unmet housing need or alleviate a housing shortage. A private entity participating in this program may reserve a proportionate share of available units in the facility for occupancy by its workforce based on its financial participation in the facility, in addition to any units held for occupancy by individuals or families of low or moderate income.

4. 5. Mortgage loan financing program. A program or programs to provide for the purchase or guaranty of a temporary or permanent mortgage loan originated by a lender on residential real property or on land to be developed into residential real property, in addition to a mortgage loan acquired or to be acquired under subsections 1 through 3. A program authorized under this subsection may provide

assistance in the development of low to moderate income housing or to otherwise assist a developing community in the state address an unmet housing need or alleviate a housing shortage.

5. 6. Home improvement finance program. A program or programs to provide full or partial, indirect financing of improvements to existing residential dwelling units.

6. 7. Housing grant program. A program or programs to provide a grant other than those authorized by section 54-17-07.6 to encourage and promote housing availability for persons of low or moderate income or to otherwise assist a developing community in this state address an unmet housing need or alleviate a housing shortage.

7. 8. Residential mortgage program. A program or programs to originate residential mortgages if private sector mortgage loan services are not reasonably available. Under this program a local financial institution or credit union may assist the agency in taking a loan application, gathering required documents, ordering legal documents, and maintaining contact with the borrower. At a minimum, the applicant must be referred to the agency by a local financial institution or credit union, the loan application must be for an owner-occupied primary residence, and the agency must provide or cause to be provided all regulatory disclosures, process and underwrite the loan, prepare closing documents and disburse the loan.

**54-17-07.12. Housing finance agency as wholesale servicing mortgage lender.**

~~The business and transactions of the housing finance agency in addition to other matters specified in this chapter may include anything that any corporation or limited liability company lawfully may do in conducting a wholesale servicing mortgage lending business, except as it is restricted by the provisions of this chapter. This provision may not be held in any way to limit or qualify either the powers of the industrial commission granted by or the functions of the housing finance agency as defined in this chapter. The powers of the industrial commission and the functions of the housing finance agency must be implemented through actions taken and policies adopted by the industrial commission. For purposes of this chapter, a wholesale servicing mortgage lender is a mortgage loan wholesaler that neither solicits mortgage applications nor deals directly with mortgage loan applicants, it purchases loans from mortgage originators, pools the loans, and then sells them to private or governmental investors while retaining the servicing rights.~~