

HOUSE BILL NO. 1499

Introduced by

Representatives Roers Jones, Conmy, Cory, Hanson, Mitskog, O'Brien, Pyle, Schreiber-Beck, Strinden, VanWinkle

Senators Axtman, K. Roers

1 | A BILL ~~for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century~~
2 | ~~Code, relating to a primary residence revolving loan fund; to provide a continuing appropriation;~~
3 | ~~and to provide a transfer~~ for an Act to provide for a legislative management study.

4 | **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 | ~~— **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created~~
6 | ~~and enacted as follows:~~

7 | ~~— **Residential partnership in assisting community expansion fund – Continuing**~~
8 | ~~**appropriation.**~~

9 | ~~— 1. There is created in the state treasury the residential partnership in assisting~~
10 | ~~community expansion fund from which the Bank of North Dakota shall buy down the~~
11 | ~~interest rate on loans made by a lead financial institution in participation with the Bank.~~
12 | ~~The fund consists of all moneys transferred to the fund by the legislative assembly,~~
13 | ~~interest upon moneys in the fund, and payments to the fund.~~

14 | ~~— 2. The Bank shall administer the fund. Moneys in the fund are appropriated to the Bank~~
15 | ~~on a continuing basis for interest rate buydown disbursements and administrative~~
16 | ~~costs pursuant to this section. The fund must be audited annually pursuant to section~~
17 | ~~6-09-29, and the cost of the audit must be paid from the fund.~~

18 | ~~— 3. The Bank shall develop policies to administer the fund in accordance with this section,~~
19 | ~~including policies for loan participation with local financial institutions.~~

20 | ~~— 4. The Bank shall calculate the amount of the interest rate buydown to reduce the~~
21 | ~~interest rate by up to two percent below the statewide average mortgage rate, but not~~
22 | ~~in an amount that would bring the interest rate to less than four percent. The interest~~
23 | ~~rate buydown must be paid in full when the loan is originated. The amount of the loan,~~

1 ~~on which the interest rate is being bought down, may not exceed four hundred~~
2 ~~thousand dollars. The interest rate may be bought down only on a loan for the primary~~
3 ~~residence of an owner. To be eligible for a loan under this section, the homeowner~~
4 ~~must be a resident of the state or provide a certification of intent to become a resident~~
5 ~~of the state; the property associated with the loan must be within the state; and the~~
6 ~~homeowner must continue to own the property and maintain the property as a primary~~
7 ~~residence for five years after receiving the interest rate buydown. The Bank shall place~~
8 ~~a lien on the property not to exceed the value of the interest rate buydown, and the~~
9 ~~amount of the lien must be reduced by twenty percent per year until the lien is~~
10 ~~removed after the fifth year.~~

11 ~~—SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO~~
12 ~~RESIDENTIAL PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION FUND. The office-~~
13 ~~of management and budget shall transfer \$50,000,000 from the strategic investment and~~
14 ~~improvements fund to the residential partnership in assisting community expansion fund, during~~
15 ~~the biennium beginning July 1, 2023, and ending June 30, 2025.~~

16 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY.** During the 2023-24 interim, the
17 legislative management shall consider studying the feasibility and desirability of creating an
18 interest rate buydown program at the Bank of North Dakota for North Dakota homeowners with
19 a primary residence mortgage and the potential impact of the program on workforce and on
20 increasing access to home ownership. The legislative management shall report its findings and
21 recommendations, together with any legislation necessary to implement the recommendations,
22 to the sixty-ninth legislative assembly.