

**SENATE BILL NO. 2234**

Introduced by

Senator Bekkedahl

Representative Hatlestad

1 A BILL for an Act to create and enact a new subsection to section 54-17-07.3 and a new section  
2 to chapter 54-17 of the North Dakota Century Code, relating to the establishment of an  
3 essential service worker home ownership incentive program and essential service worker home  
4 ownership incentive fund; to amend and reenact subsection 3 of section 54-17-40 of the North  
5 Dakota Century Code, relating to the housing incentive fund; to provide an appropriation and  
6 transfer; and to provide a continuing appropriation.

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

8 **SECTION 1.** A new subsection to section 54-17-07.3 of the North Dakota Century Code is  
9 created and enacted as follows:

10 Essential service worker home ownership incentive program. A program to provide  
11 assistance for the purchase of a primary residence by an essential service worker as  
12 provided in section 2 of this Act. The program may provide a secondary mortgage lien  
13 to assist in the acquisition of a single-family residential dwelling unit.

14 **SECTION 2.** A new section to chapter 54-17 of the North Dakota Century Code is created  
15 and enacted as follows:

16 **Essential service worker home ownership incentive fund - Continuing appropriation.**

17 1. The essential service worker home ownership incentive fund is created as a special  
18 revolving fund at the Bank of North Dakota. The housing finance agency may direct  
19 disbursements from the fund and moneys in the fund are appropriated on a continuing  
20 basis to provide purchasing assistance on single-family residential mortgage loans  
21 under the essential worker home ownership incentive program. The agency shall  
22 administer and supervise the fund and may deduct a reasonable fee for administering  
23 the fund.

- 1       2. During the 2017-19 biennium, the essential service worker home ownership incentive  
2       fund must be used to support a pilot program for essential service workers. The fund  
3       must be used to provide purchasing assistance under the essential service worker  
4       home ownership incentive program in any area of the state. For purposes of this  
5       section, "essential service worker" means an individual employed by the state or a city,  
6       county, school district, medical or long-term care facility, or any other individual  
7       employed in providing an essential public service as determined by the housing  
8       finance agency.
- 9       3. Pursuant to housing finance agency underwriting and credit standards and guidelines  
10      adopted under subsection 4, the agency may provide a secondary loan to a qualified  
11      essential service worker in conjunction with a single-family residential mortgage loan  
12      originated by a lender under a housing finance agency home ownership program. If, at  
13      any time during the ~~first ten year~~ term of the loan, the borrower ceases to be  
14      employed as an essential service worker or if the borrower sells the home or  
15      refinances the mortgage loan, the borrower must repay the secondary loan in full or  
16      begin making amortized monthly payments on the secondary loan.
- 17      4. The agency shall adopt guidelines for the implementation and administration of the  
18      essential service worker home ownership incentive program. The guidelines must  
19      provide the moneys in the essential service worker home ownership incentive fund  
20      may be used solely to assist in the acquisition of owner-occupied single-family  
21      residential housing that will serve as the primary residence of the essential service  
22      worker. The guidelines must establish income limits for eligibility to participate in the  
23      program and purchase price limitations as determined appropriate by the agency.
- 24      5. Any funds received in repayment or recapture of a loan under this section must be  
25      deposited in the essential service worker home ownership incentive fund and may be  
26      used for the purposes of the essential service worker home ownership incentive  
27      program.

28      **SECTION 3. AMENDMENT.** Subsection 3 of section 54-17-40 of the North Dakota Century  
29      Code is amended and reenacted as follows:

- 30      3. The housing finance agency shall adopt guidelines for the fund so as to address  
31      unmet housing needs in this state. Assistance from the fund may be used solely for:

- 1 a. New construction, rehabilitation, or acquisition of a multifamily housing project;
- 2 b. Gap assistance, matching funds, and accessibility improvements;
- 3 c. Assistance that does not exceed the amount necessary to qualify for a loan using
- 4 underwriting standards acceptable for secondary market financing or to make the
- 5 project feasible; ~~and~~
- 6 d. Rental assistance, emergency assistance, or targeted supportive services
- 7 designated to prevent homelessness; or
- 8 e. Providing purchasing assistance for single-family residential mortgage loans by
- 9 financing the essential service worker home ownership incentive fund.

10 **SECTION 4. APPROPRIATION - TRANSFER.** There is appropriated out of any moneys in  
11 the housing incentive fund in the state treasury, not otherwise appropriated or committed, the  
12 sum of ~~\$4,000,000~~ \$500,000, or so much of the sum as may be necessary, which the office of  
13 management and budget shall transfer to the essential service worker home ownership  
14 incentive fund for the purposes identified in section 2 of this Act, for the biennium beginning July  
15 1, 2017, and ending June 30, 2019. The housing finance authority shall disburse  
16 ~~\$500,000~~ \$250,000 of the amount appropriated under this section within ~~each of the eight state-~~  
17 planning regions one and eight.