

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.

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.