SB238 ENROLLED



- 1 SB238
- 2 1Q78Z3Z-2
- 3 By Senator Price
- 4 RFD: Fiscal Responsibility and Economic Development
- 5 First Read: 19-Mar-24

SB238 Enrolled



1 Enrolled, An Act,

Relating to the Home Buyers Initiative Act; to amend Section 24-1A-43, Code of Alabama 1975, to provide for the expenditure of certain funds appropriated to the Mortgage Guarantee Fund to be used for certain housing programs that promote home ownership, including alternative housing

- 10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
- Section 1. Section 24-1A-43, Code of Alabama 1975, is amended to read as follows:
- 13 "\$24-1A-43

programs.

(a) There is hereby established a mortgage guarantee fund to be held in the State Treasury and to be administered by the Alabama Housing Finance Authority that will be available to reimburse foreclosure losses, if any, that arise with respect to a qualified mortgage loan under the Alabama Home Buyers Initiative. There is appropriated from the Alabama Capital Improvement Trust Fund to the guarantee fund a total of six million dollars (\$6,000,000) for the fiscal year ending September 30, 2009. This appropriation shall be irrevocably deposited in the guarantee fund within ten10 days after this actAct 2009-284 becomes effective. Pursuant to Section VII of Amendment 666 to the Constitution of Alabama 1901Section

finds that it is advisable and necessary to make this

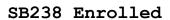
appropriation to the mortgage guarantee fund which is in

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excess of the amount contained in the Governor's certification
of the amount of funds needed for Capital Improvements capital
improvements.

- (b) A mortgage guarantee fund fee shall be paid at closing from the proceeds of each qualified mortgage loan and shall be deposited in the guarantee—fund. All interest or investment income on funds deposited in the guarantee—fund shall be credited to, and shall remain part of, the guarantee fund.
- (c) The state Comptroller shall issue payment warrants from the mortgage guarantee fund only after receipt of a certification from the program administrator that identifies each qualified mortgage loan that has suffered a foreclosure loss, contains a calculation of the amount of the foreclosure loss, and provides payment instructions for each investor that suffered such foreclosure loss. Payments from the guarantee fund shall be deemed made first from the six million dollars (\$6,000,000) appropriated to the guarantee fund in subsection (a), until exhausted, thereafter from interest or investment income on the guarantee—fund, and finally from—guarantee—fund fees deposited in the guarantee—fund.
- (d) The amount of reimbursement available from the mortgage guarantee fund for each qualified mortgage loan shall not exceed forty-percent (40%) 40 percent of such the loan's foreclosure balance.
- (e) Reimbursements to investors from the <u>mortgage</u> guarantee fund shall be paid in the order in which certifications of foreclosure loss are received.





57	(f) The <u>mortgage</u> guarantee fund shall remain available
58	until it is depleted. If the program administrator certifies
59	to the State Treasurer that: (i) $\overline{}$ all qualified mortgage
50	loans have been paid in full before the guarantee fund is
51	$\operatorname{depleted}_{r:}$ or $\frac{(2)}{(ii)}$ the existing balance in the guarantee
52	fund exceeds the maximum amount that is available to be
53	withdrawn to reimburse foreclosure losses under this article,
54	the remaining balance or excess amount in the $\frac{\text{guarantee}}{\text{fund}_{r}}$
55	as the case may be, and all future mortgage guarantee fund
56	fees, if any, shall be made available for other housing
57	programs identified and administered by the program
58	administrator, including without limitation guarantee funds
59	for other housing initiatives, and homeowner education.
7 0	(g) Upon the depletion of the funds appropriated from
71	the Alabama Capital Improvement Trust Fund described in
72	subsection (a), any additional funds that are appropriated to
73	the mortgage guarantee fund shall be made available for other
7 4	housing programs identified and administered by the program
75	administrator as provided in this article, including
76	alternative housing programs as provided in Section 24-1A-44."
77	Section 2. This act shall become effective on October
78	1, 2024.

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President and Presiding Officer of the Senate Speaker of the House of Representatives SB238 Senate 18-Apr-24 I hereby certify that the within Act originated in and passed the Senate. Patrick Harris, Secretary. House of Representatives Passed: 02-May-24 By: Senator Price