

SB238 ENROLLED



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



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1 Enrolled, An Act,

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

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 24-1A-43, Code of Alabama 1975, is
12 amended to read as follows:

13 "§24-1A-43

14 (a) There is hereby established a mortgage guarantee
15 fund to be held in the State Treasury and to be administered
16 by the Alabama Housing Finance Authority that will be
17 available to reimburse foreclosure losses, if any, that arise
18 with respect to a qualified mortgage loan under the Alabama
19 Home Buyers Initiative. There is appropriated from the Alabama
20 Capital Improvement Trust Fund to the guarantee fund a total
21 of six million dollars (\$6,000,000) for the fiscal year ending
22 September 30, 2009. This appropriation shall be irrevocably
23 deposited in the guarantee fund within ~~ten~~10 days after ~~this~~
24 ~~act~~Act 2009-284 becomes effective. Pursuant to Section VII of
25 ~~Amendment 666 to the Constitution of Alabama 1901~~Section
26 219.04 of the Constitution of Alabama of 2022, the Legislature
27 finds that it is advisable and necessary to make this
28 appropriation to the mortgage guarantee fund which is in



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

32 (b) A mortgage guarantee fund fee shall be paid at
33 closing from the proceeds of each qualified mortgage loan and
34 shall be deposited in the ~~guarantee~~ fund. All interest or
35 investment income on funds deposited in the ~~guarantee~~ fund
36 shall be credited to, and shall remain part of, the ~~guarantee~~
37 fund.

38 (c) The state Comptroller shall issue payment warrants
39 from the mortgage guarantee fund only after receipt of a
40 certification from the program administrator that identifies
41 each qualified mortgage loan that has suffered a foreclosure
42 loss, contains a calculation of the amount of the foreclosure
43 loss, and provides payment instructions for each investor that
44 suffered such foreclosure loss. Payments from the ~~guarantee~~
45 fund shall be deemed made first from the six million dollars
46 (\$6,000,000) appropriated to the ~~guarantee~~ fund in subsection
47 (a), until exhausted, thereafter from interest or investment
48 income on the ~~guarantee~~ fund, and finally from ~~guarantee~~ fund
49 fees deposited in the ~~guarantee~~ fund.

50 (d) The amount of reimbursement available from the
51 mortgage guarantee fund for each qualified mortgage loan shall
52 not exceed ~~forty percent (40%)~~ 40 percent of ~~such~~ the loan's
53 foreclosure balance.

54 (e) Reimbursements to investors from the mortgage
55 guarantee fund shall be paid in the order in which
56 certifications of foreclosure loss are received.



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57 (f) The mortgage guarantee fund shall remain available
58 until it is depleted. If the program administrator certifies
59 to the State Treasurer that: (i) ~~(1)~~ all qualified mortgage
60 loans have been paid in full before the ~~guarantee~~ fund is
61 depleted, ; or ~~(2)~~ (ii) the existing balance in the ~~guarantee~~
62 fund exceeds the maximum amount that is available to be
63 withdrawn to reimburse foreclosure losses under this article,
64 the remaining balance or excess amount in the ~~guarantee~~ fund,
65 ~~as the case may be,~~ and all future mortgage guarantee fund
66 fees, if any, shall be made available for other housing
67 programs identified and administered by the program
68 administrator, including without limitation ~~guarantee~~ funds
69 for other housing initiatives, and homeowner education.

70 (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
74 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