

Regular Session, 2011

HOUSE BILL NO. 590

BY REPRESENTATIVES CARMODY AND TUCKER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

HOUSING: Creates the Louisiana Housing Corporation and consolidates state housing programs

1 AN ACT

2 To enact Chapter 3-G or Title 40 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 40:600.86 through R.S. 600.110 and R.S. 42:1124.2, and to repeal R.S.
4 36:769(J), Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950,
5 comprised of R.S. 40:600.1 through 600.25.1, and Chapter 3-E of Title 40 of the
6 Louisiana Revised Statutes of 1950, comprised of R.S. 40:600.61 through 600.68,
7 relative to housing authorities; to create the Louisiana Housing Corporation and
8 provide for its powers, functions, and duties; to provide for the abolishment of
9 certain programs or agencies, the consolidation of housing programs and the transfer
10 of certain programs or agencies; to provide for the filing of certain financial
11 disclosure statements relative to certain boards and commissions; to provide terms,
12 conditions definitions, procedures, and effects; to provide for an effective date; and
13 to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950,
16 comprised of R.S. 40:600.86 through 600.110 is hereby enacted to read as follows:

17 CHAPTER 3-G. LOUISIANA HOUSING CORPORATION ACT

18 §600.86. Short title; findings; purpose

19 A. This Chapter shall be known and may be referred to as the "Louisiana
20 Housing Corporation Act."

1 B. (1) The legislature hereby finds and declares that there exists in the state
2 of Louisiana a serious shortage of decent, safe, and sanitary residential housing.

3 (2) The legislature hereby finds and declares further that private enterprise
4 and investment unaided has not been able to produce the needed construction of
5 decent, safe, and sanitary residential housing at prices which persons and families
6 of low or moderate income can afford, or to achieve the urgently needed
7 rehabilitation of existing inadequate and substandard residential housing. The
8 legislature further finds and declares that it is imperative that the supply of
9 residential housing for persons and families of low or moderate income be increased
10 substantially and that private enterprise and investors be encouraged to sponsor,
11 build, and rehabilitate residential housing for such persons and families.

12 (3) The legislature hereby finds and declares further that a major cause of the
13 shortage of residential housing is the inadequate supply of funds available from
14 private mortgage lenders for residential housing mortgage loans at interest rates
15 within the financial means of persons and families of low or moderate income.

16 (4) The legislature hereby finds and declares that the limited resources
17 available directly to the state or its agencies may be more effectively and efficiently
18 utilized if a single corporation is authorized and directed to coordinate housing
19 programs administered by the state or its agencies and instrumentalities.

20 (5) The legislature hereby finds and declares further that additional financial
21 resources and technical skills must be available in local communities if the state is
22 to mobilize the capacity of the private sector, including nonprofit community
23 housing development organizations, to provide a more adequate supply of decent,
24 safe, and sanitary housing.

25 (6) The legislature hereby finds and declares further that state leadership is
26 needed to achieve an adequate supply of affordable housing for all residents of the
27 state and that such leadership shall be provided through the corporation.

28 (7) The legislature hereby finds and declares further that this corporation
29 should have the maximum amount of flexibility, responsibility, and discretion to

1 assure that all the residents of the state shall have access to decent, safe, sanitary, and
2 affordable housing; therefore, in carrying out the purposes of this Chapter, the
3 corporation shall be presumed to possess broad powers and legal prerogatives which
4 enable the corporation to carry out its purposes directly or indirectly through one or
5 more nonprofit subsidiaries.

6 §600.87. Definitions

7 The following terms whenever used or referred to in this Chapter shall have
8 the following meanings, unless the context clearly indicate otherwise:

9 (1) "Corporation" means the Louisiana Housing Corporation created by this
10 Chapter.

11 (2) "Bonds" means the bonds, notes, renewal notes, refunding bonds, interim
12 certificates, certificates of indebtedness, debentures, or other obligations or
13 evidences of indebtedness authorized to be issued by the corporation pursuant to the
14 provisions of this Chapter.

15 (3) "Federal government" means the United States of America and any
16 agency or instrumentality, corporate or otherwise, of the United States of America.

17 (4) "Insured mortgage" means a mortgage loan for the acquisition,
18 construction, rehabilitation or improvement of residential housing located within the
19 state which is insured or guaranteed in whole or in part by the federal or state
20 government, or any instrumentality or agency of the federal government or the state
21 government, including the Louisiana Housing Corporation, or by a private mortgage
22 insurance company, which insures the holder of the mortgage against financial loss.

23 (5) "Lending institution" means any bank, bank or trust company, building
24 and loan association, homestead, insurance company, investment banker, mortgage
25 banker or company, pension or retirement fund, savings bank or savings and loan
26 association which is authorized to do business in Louisiana.

27 (6) "Mortgage" means a conventional mortgage evidencing a contract by
28 which a person binds all or part of his immovable property in favor of another to

1 secure the execution and enforcement of a contract, but without divesting oneself of
2 the possession of said property.

3 (7) "Mortgage loan" means a financial obligation secured by a mortgage.

4 (8) "Persons or families of low or moderate income" means persons as
5 defined in Section 143 of the Internal Revenue Code, 23 U.S.C. 143.

6 (9) "Residential housing" means a specific work or improvement within the
7 state undertaken primarily to provide decent, safe and sanitary dwelling
8 accommodations for persons of low or moderate income, including but not limited
9 to, the acquisition, construction, rehabilitation or improvement of land, buildings and
10 improvements thereto in connection with apartments, condominiums, single family
11 homes, townhouses, and nonhousing facilities appurtenant thereto.

12 (10) "State" means the state of Louisiana.

13 (11) "State agency" means any board, authority, agency, department,
14 commission, public corporation, body corporate and politic or instrumentality of the
15 state.

16 (12) "Subsidiary" means any nonprofit corporation in which the board of
17 directors of the corporation constitute a majority of the governing body of such
18 entity.

19 §600.88. Creation of the agency

20 There is hereby created a public body corporate and politic known as the
21 Louisiana Housing Corporation. The Louisiana Housing Corporation, hereinafter
22 referred to as the agency or corporation, shall be a political subdivision and
23 instrumentality of the state.

24 §600.89. Organization of the agency

25 A. The Louisiana Housing Corporation shall be governed by a board of
26 directors composed of the following members:

27 (1) One member shall be the state treasurer or his designee.

28 (2) Six members shall be appointed by the governor, each of whom shall
29 serve at the pleasure of the governor, shall be residents of the state, and shall have

1 three to five years of experience in one or more of the fields of banking, mortgage,
2 residential construction, real estate, nonprofit residential development, bonds, grants,
3 or programs of the Department of Housing and Urban Development.

4 (3) Each appointment by the governor shall be submitted to the Senate for
5 confirmation.

6 (4) Two additional members shall be appointed as follows:

7 (a) One person appointed by the president of the Senate.

8 (b) One person appointed by the speaker of the House of Representatives.

9 B. In the event of a vacancy in the office of any member of the board of
10 directors, the governor shall appoint a replacement to serve for the remainder of the
11 unexpired term.

12 C.(1) Each member of the board of directors shall hold office until the
13 member resigns or is removed from office or until his successor has been appointed
14 and has qualified.

15 (2) No appointed member shall serve more than four years, unless the
16 member has been re-appointed and re-confirmed.

17 (3) Any appointed member shall be eligible for reappointment.

18 (4) Any member of the board of directors of the corporation may be removed
19 from office by the governor for incompetence, malfeasance, misconduct or willful
20 neglect of duty, after reasonable notice and a public hearing, unless the same are
21 expressly waived in writing.

22 (5) Each member of the corporation appointed by the governor shall, before
23 entering office, take the oath of office required of public officials to administer the
24 duties of his office faithfully and impartially, and a record of such oath shall be filed
25 with the secretary of state.

26 D. Each member of the board of directors shall file financial disclosure
27 statements pursuant to R.S. 42:1124.2.

28 §600.89. Officers of the agency; duties; liability

29 A. Executive director.

1 (1) Appointment.

2 (a) An executive director of the corporation shall be appointed by the board
3 subject to the approval of the governor. Any person nominated shall meet all the
4 requirements for being a member of the board of directors. Should the governor
5 refuse to confirm the appointment of the executive director, then the board shall
6 submit another name.

7 (b) The person whose appointment was refused shall not be renamed for
8 confirmation for a period of two years.

9 (c) The governor shall, within thirty days after the nomination of the
10 executive director, either approve or reject the nomination.

11 (2) Duties; requirements

12 (a) The executive director of the corporation shall manage the daily affairs
13 of the corporation and shall have such powers and duties as specified by this Chapter
14 and by the board of directors.

15 (b) The executive director shall not be a member of the board.

16 (c) The executive director of the corporation shall serve at the pleasure of the
17 board of directors.

18 B. The executive director shall submit a staffing plan to the board for its
19 approval.

20 C. No officer or employee shall be a member of the board.

21 E. The powers of the board.

22 (1) The powers of the corporation shall be vested in the board of directors
23 thereof in office from time to time.

24 (2) A majority of the members of the board currently serving shall constitute
25 a quorum for the transaction of any business and for the exercise of any power or
26 function of the agency. No vacant office shall be included in the determination of
27 the number of member of the board necessary to establish a quorum.

28 (3) No vacancy in the board shall impair the rights of a quorum of the board
29 to exercise any power or function of the corporation.

1 (4) Action may be taken by the board upon an affirmative vote of a majority
2 of the members present.

3 F. The corporation shall be domiciled in Baton Rouge.

4 G. The corporation shall adopt bylaws for its own governance, provided that
5 such bylaws shall not conflict with any of the provisions of this Chapter or with any
6 other law applicable to public bodies or agencies.

7 H. No member of the board of directors shall be charged personally with any
8 liability whatsoever by reason of any act or omission committed or suffered in the
9 performance of his duties as member of the board or with respect to the operations
10 of the corporation, but any act, liability for omission or obligation of a member in the
11 performance of his duties or with respect to the operations of the corporation shall
12 extend to the whole of the property of the corporation, or so much thereof as may be
13 necessary or available to discharge such liability or obligation, and not otherwise.

14 I. If any member of the board of directors, officer, or employee of the
15 corporation shall have an interest, either direct or indirect, in any contract to which
16 the corporation is, or is to be, a party, or in any lending institution requesting a loan
17 from, or offering to sell insured mortgage loans to the corporation, such interest shall
18 be disclosed to the corporation in writing and shall be set forth in the minutes of the
19 corporation.

20 J. Fiscal matters.

21 (1) The corporation shall operate from self-generated revenues and shall be
22 a budget unit of the state.

23 (2) The corporation may receive state appropriations and the expenditure of
24 such appropriated funds shall be subject to budgetary controls or authority of the
25 Division of Administration.

26 (3) The corporation shall establish an operating budget for the use of its
27 revenues, subject to approval by a two-thirds vote of the board of directors of the
28 corporation.

1 (4) The fiscal year for the corporation shall run concurrently with the fiscal
2 year of the state.

3 (5) Any budget adopted shall be effective for that fiscal year.

4 (6) The corporation shall adhere to the requirements of R.S. 39:71, et seq.
5 §600.90. Powers and duties of the corporation

6 A. The corporation shall have the powers necessary or convenient to carry
7 out and effectuate the purposes and provisions of this Chapter, including the
8 following powers in addition to all other powers granted by other provisions of this
9 Chapter:

10 (1) The corporation may sue and be sued in its own name.

11 (2) The corporation may establish a seal and alter the same at its pleasure.

12 (3) The corporation may adopt bylaws for the internal organization and
13 government of the corporation.

14 (4) The corporation may make and execute contracts and all other
15 instruments necessary or convenient for the exercise of its powers and functions
16 under this Chapter with any federal or state governmental agency, public or private
17 corporation, lending institution or other entity or person.

18 (5) The corporation may accept donations of movable or immovable
19 property from any source and receive appropriations from the legislature or financial
20 assistance or subsidies from the federal or state government.

21 (6) The corporation may, subject to the rights of holders of bonds of the
22 corporation, renegotiate, refinance or foreclose on any mortgage or commence any
23 action or protect or enforce any right or benefit conferred upon the corporation by
24 any law, mortgage, contract or other agreement and bid for and purchase such
25 property at any foreclosure or at any other sale or otherwise acquire or take
26 possession of any such property; and in such event the agency may complete,
27 administer, pay the principal of and interest on any obligation incurred in connection
28 with such property, dispose of and otherwise deal with such property in such manner

1 as may be necessary or desirable to protect the interest of the corporation or of
2 holders of its bonds therein.

3 (7) The corporation may procure or provide for the procurement of insurance
4 or reinsurance against any loss in connection with its property or operations,
5 including but not limited to, insurance, reinsurance or other guarantees from a
6 federal or state governmental agency or private insurance company for the payment
7 of any bonds issued by the corporation or bonds, notes, or any other obligations or
8 evidences of indebtedness issued or made by any lending institution or other entity
9 or person or insurance or reinsurance against loss with respect to mortgages or
10 mortgage loans, including the power to pay premiums on such insurance or
11 reinsurance.

12 (8) The corporation may insure, reinsure, or cause to be insured or reinsured
13 mortgage loans or mortgages on residential housing, to receive premiums on such
14 insurance or reinsurance, and to establish reserves for losses, and to participate in the
15 insurance or reinsurance of mortgage loans or mortgages on residential housing with
16 the federal or state government.

17 (9) The corporation may enter into agreements and contracts with persons
18 and entities including, but not limited to, the federal or state government or its
19 subdivisions, agencies or instrumentalities, or with mortgagors or lending
20 institutions.

21 (10) The corporation may undertake and carry out or authorize the
22 completion of studies and analyses of housing conditions and needs within the state
23 and ways of meeting such needs, to make such studies and analyses available to the
24 public and to the housing industry, and to engage in research to disseminate
25 information on housing, in coordination with the Division of Administration, office
26 of community development.

27 (11) The corporation may accept federal, state, or private financial or
28 technical assistance; comply with any conditions for such assistance; and become a

1 "co-insurer" with the United States Department of Housing and Urban Development
2 or other appropriate federal agency for housing finance programs.

3 (12) The corporation may collect fees and charges in connection with its
4 loans, insurance, commitments, and services including, but not limited to,
5 reimbursement of costs of issuing bonds, service charges, and insurance premiums.

6 (13) The corporation may purchase secured loans or make lending
7 commitments to purchase or sell construction or mortgage loans with respect to
8 residential housing; make secured loans to lending institutions, including
9 commitments therefor, with respect to the making of construction or mortgage loans
10 by lending institutions for residential housing.

11 (14) The corporation may acquire or contract to acquire from any person,
12 firm, corporation, municipality, federal or state agency, by grant, purchase or
13 otherwise, movable or immovable property or any interest therein; to own, hold,
14 clear, improve, lease, construct, or rehabilitate, and to sell, invest, assign, exchange,
15 transfer, convey, lease, mortgage, or otherwise dispose of or encumber the same,
16 subject to the rights of holders of the bonds of the agency, at public or private sale,
17 with or without public bidding.

18 (15) The corporation may borrow money, issue bonds and provide for the
19 rights of the lenders or holders thereof.

20 (16) The corporation may, subject to the rights of holders of the bonds of the
21 agency, consent to any modification with respect to the rate of interest, time payment
22 of any installment of principal or interest, security or other term of any loan,
23 contract, mortgage, mortgage loan or commitment therefor or agreement of any kind
24 to which the corporation is a party or beneficiary.

25 (17) The corporation may maintain an office, in addition to the office in
26 Baton Rouge, at such place or places in the state as the corporation shall determine.

27 (18) In carrying out its functions under this Chapter, the corporation shall
28 accomplish the following:

1 (a) The corporation shall adopt rules and regulations which shall require fair,
2 impartial, and equitable treatment of all lending institutions by the corporation.

3 (b) Such rules and regulations shall insure that favoritism shall not be an
4 element in the allocation of services by the corporation and that objective standards
5 and criteria shall control and govern access to the allocation of services and functions
6 authorized by this Chapter.

7 (c) The board of commissioners of the corporation shall establish policy for
8 housing finance for all units, divisions, agencies, public corporations, and
9 instrumentalities of the state involved directly or indirectly in financing single family
10 or multi-family housing.

11 (19) The corporation may purchase secured loans or make lending
12 commitments to purchase loans on multi-family housing projects under such
13 guidelines, rules, and restrictions as shall be adopted by the corporation.

14 (20) The corporation is authorized to sell residential loans purchased by it
15 or by others either singly or in "packages" or pools to investors, including the
16 retirement plans and trusts established for the employees of the state and its
17 subdivisions, agencies, instrumentalities, and units of government which may be
18 authorized to purchase residential first mortgages for investment purposes; however,
19 all such mortgage loans purchased by the corporation for resale shall have been made
20 on real estate in the state.

21 (21) Notwithstanding any provisions of this Chapter or any other law to the
22 contrary, specifically R.S. 12:202.1, the corporation may create or cause to be
23 created such nonprofit corporations as may be necessary or expedient to participate
24 in housing programs of the federal government or its agencies and instrumentalities.

25 (22) Notwithstanding the provisions of this Chapter or any other law to the
26 contrary, specifically R.S. 12:202.1, the corporation may create or cause to be
27 created such nonprofit corporations as may be necessary or desirable to establish
28 housing equity funds, the purpose of which shall be to direct the investment of
29 capital primarily from Louisiana residents to residential housing developments

1 qualifying under Section 42 of the Internal Revenue Code of 1986 for low income
2 housing credits.

3 (23) The corporation shall administer the federal grants for energy assistance
4 and weatherization services for low-income persons.

5 (24) The corporation shall administer the Louisiana Housing Trust Fund.

6 (25) Notwithstanding any provisions of this Chapter or any other law to the
7 contrary, the corporation is authorized to:

8 (a) Sponsor a statewide community housing development organization to
9 partnership with or to expand the capacity of local nonprofit organizations in limited
10 resource communities and to develop and manage affordable residential rental
11 housing in partnership with such local nonprofit organizations.

12 (b) Originate and fund second mortgage loans to persons or households of
13 very low, low, or moderate income as defined by the United States Department of
14 Housing and Urban Development.

15 (c) Finance directly pools of loans to public housing authorities as
16 established under the Louisiana Housing Authorities Law, contained in R.S. 40:381
17 et seq.

18 (d) Establish one or more subsidiaries to carry out the purposes of this
19 Chapter.

20 (26)(a) Notwithstanding any provisions of law to the contrary, the
21 corporation is authorized and required to assume administration or management of
22 disaster recovery programs funded by the Department of Housing and Urban
23 Development Community Development Block Grants as designated by the governor.

24 (b) In the event that a state agency has contracts in place for the purpose of
25 the implementation of such programs, the agency may transfer to the corporation the
26 contracts or the portion of the contracts related to the programs transferred.

27 (27) Notwithstanding any provisions of law to the contrary, the following
28 programs in the Department of Children and Family Services shall be transferred to
29 the agency:

1 (a) Louisiana Emergency Shelter Grants program.

2 (b) Rapid Re-housing program.

3 (28) The corporation shall have all the powers and duties in the Louisiana
4 Housing Authorities Law pursuant to R.S. 40:381, et seq.

5 B. The corporation may promulgate rules, regulations, or such other
6 procedures for the coordination of all state-administered housing programs.
7 Notwithstanding any provisions of this Chapter or any other provision of the law to
8 the contrary, every department, agency, or instrumentality of the state administering
9 any federal or state housing resource shall provide assistance to the corporation,
10 including but not limited to, information, technical assistance, and personnel of such
11 department, agency, or instrumentality, which is being or may be used to provide
12 decent, safe, sanitary, and affordable housing to the residents of the state in order to
13 accomplish the goals and to comply with the provisions of this Chapter.

14 C. (1) The Louisiana Housing Corporation is authorized and directed to
15 cooperate and coordinate with units of general local government, local public
16 housing authorities, and other instrumentalities of local government, including but
17 not limited to public trusts and local nonprofit housing corporations, in developing
18 a comprehensive plan and housing strategy as required by the Department of
19 Housing and Urban Development. Such plan shall be submitted to the House
20 Committee on Municipal, Parochial and Cultural Affairs and the Senate Committee
21 on Local and Municipal Affairs for review within thirty days of its completion.

22 D.(1) The Louisiana Housing Corporation shall submit to the House
23 Committee on Municipal, Parochial and Cultural Affairs and the Senate Committee
24 on Local and Municipal Affairs each Comprehensive Housing Affordability Strategy
25 (CHAS) and any amendment thereto prepared by or on behalf of the state and units
26 of local government pursuant to 24 CFR Part 91 for review within thirty days of their
27 completion.

28 (2) Each CHAS shall contain a statement identifying the resources
29 reasonably expected to be made available from the United States Department of

1 Housing and Urban Development, other federal or state and local governments for
2 rental assistance, homeless assistance, production of new units, rehabilitation of
3 existing units, acquisition of existing units and any other assistance provided to carry
4 out the following purposes of the Cranston-Gonzales National Affordable Housing
5 Act:

6 (1) To help families not owning a home to save for a down payment for the
7 purchase of a home.

8 (2) To retain, wherever practical, as housing affordable to low-income
9 families, those dwelling units produced for such purpose with federal assistance.

10 (3) To extend and strengthen partnerships among all levels of government
11 and the private sector, including for-profit and nonprofit organizations, in the
12 production and operation of housing affordable to low-income and moderate-income
13 families.

14 (4) To expand and improve federal rental assistance for very low-income
15 families.

16 (5) To increase the supply of supportive housing, which combines structural
17 features and services needed to enable persons with special needs to live with dignity
18 and independence.

19 §600.91. Purchase of mortgage loans

20 A. The corporation may purchase, or contract to purchase, insured mortgage
21 loans with respect to residential housing from lending institutions, at such prices and
22 upon such terms and conditions as it shall determine by rules or regulations adopted
23 by the board of directors. All lending institutions are authorized to sell insured
24 mortgage loans to the corporation in accordance with the provisions of this Chapter
25 and the rules and regulations of the corporation.

26 B. The corporation may require as a condition of purchase of any insured
27 mortgage loan from a lending institution that the lending institution represent and
28 warrant to the corporation all of the following:

1 (1) The unpaid balance of the mortgage loan and the interest rate thereon
2 have been accurately stated to the agency and that the interest rate is not usurious.

3 (2) The amount of the unpaid principal balance of the mortgage loan is justly
4 due and owing in accordance with the terms thereof.

5 (3) The lending institution has no notice of the existence of any
6 counterclaim, offset or defense asserted by the mortgagor or his successor in interest.

7 (4) The mortgage loan is evidenced by a note and a mortgage which has been
8 properly recorded in the parish in which the immovable property is situated.

9 (5) The mortgage constitutes a valid first lien on the immovable property
10 described to the agency, subject to property taxes not yet due, installments of
11 assessments not yet due, and such servitudes, encumbrances or restrictions which do
12 not adversely affect to a material degree the use or value of the immovable property
13 or the improvements thereon.

14 (6) The mortgage loan when made was lawful under federal or state law, or
15 both, whichever governed the making of the loan, and would be lawful on the date
16 of purchase by the agency if made by the lending institution on that date in the
17 amount of the unpaid principal balance.

18 (7) The mortgagor is not now in default in the payment of any installment
19 of principal or interest, escrow funds, property taxes or otherwise in the performance
20 of his obligations under the mortgage loan documents and has not to the knowledge
21 of the lending institution been in default in the performance of any such obligation
22 for a period of longer than sixty days during the life of the mortgage.

23 (8) The improvements to the mortgaged property are covered by a valid and
24 current policy of insurance, in full force and effect, issued by an insurance company
25 authorized to issue such policies in the state and providing fire and extended
26 coverage in an amount not less than the outstanding principal balance of the
27 mortgage loan or the maximum insurable value of the mortgaged property,
28 whichever is greater.

1 (9) The mortgage loan meets the prevailing investment quality standards for
2 mortgage loans of that type in the state and is an insured mortgage loan.

3 C. A lending institution shall be liable to the corporation for any damages
4 suffered by the corporation by reason of the untruth of any representation or the
5 breach of any warranty and, in the event that any representation shall prove to be
6 untrue when made or in the event of any breach of warranty, the lending institution
7 at the option of the agency shall repurchase the mortgage loan for the original
8 purchase price, adjusted for amounts subsequently paid thereon and for damages
9 incurred by the corporation, as the corporation may determine.

10 D. The corporation may require the recording of an assignment of any
11 mortgage loan or mortgage purchased by it from a lending institution. The
12 corporation shall not be required to inspect or take possession of the mortgage loan
13 documents if the lending institution from which the mortgage loan is purchased by
14 the corporation shall enter into a contract with the corporation to service such
15 mortgage loan and to account to the corporation regarding such mortgage loan.

16 E. If the corporation purchases a mortgage loan from a lending institution,
17 the corporation may contract with that or another lending institution to act as
18 servicing agent for the corporation for the collection of mortgage loan payments
19 from the mortgagor and for the exercise of the rights and the discharge of the
20 responsibilities provided for in the mortgage loan documents and federal and state
21 law.

22 F. To the extent that any provisions of this Section may be inconsistent with
23 any provision of law of the state governing lending institutions, the provisions of this
24 Section shall control.

25 G. Notwithstanding anything in this Chapter or in any other law to the
26 contrary, the corporation may directly fund insured mortgage loans in connection
27 with a federal program if benefits provided by such program would not otherwise be
28 made available within the state.

29 §600.92. Loans to lending institutions

1 A. (1) The corporation may make, or contract to make, secured loans to
2 lending institutions at such interest rates, terms and conditions as it shall determine
3 by rules or regulations adopted by the board of directors.

4 (2) All lending institutions are authorized to borrow funds from the
5 corporation in accordance with the provisions of this Chapter and the rules and
6 regulations of the corporation.

7 (3) The corporation shall require that the proceeds of its loans to lending
8 institutions or an equivalent amount shall be used by such lending institutions to
9 make mortgage loans with respect to residential housing located within the state,
10 subject to such terms and conditions as the corporation may prescribe.

11 B. The corporation shall require that each lending institution which is the
12 recipient of a loan pursuant to this Section shall issue and deliver to the corporation
13 an evidence of its indebtedness to the corporation, which shall constitute a general
14 obligation of such lending institution and shall bear such date or dates, shall mature
15 at such time or times, shall be subject to such prepayment, and shall contain such
16 other provisions consistent with this Section as the corporation shall determine.

17 C. Notwithstanding any other provisions of this Section to the contrary, the
18 interest rate or rates and other terms of such loans to lending institutions made from
19 the proceeds of any issue of bonds of the corporation shall be at least sufficient to
20 assure the payment of said bonds and the interest thereon as the bonds become due.

21 D. The corporation shall require that loans made to lending institutions
22 pursuant to this Section shall be additionally secured as to payment of both principal
23 and interest by a pledge of collateral security in such amounts and consisting of such
24 obligations, securities or mortgages as the corporation shall determine to be
25 necessary to assure the payment of such loans and the interest thereon as the same
26 become due.

27 E. (1) The corporation may require that collateral for loans to lending
28 institutions be deposited with a bank, trust company or other financial institution

1 acceptable to the corporation located either within or outside the state as designated
2 by the corporation.

3 (2) In the absence of such requirement, a lending institution that is the
4 recipient of a loan from the corporation shall enter into an agreement with the
5 corporation containing such provisions as the corporation shall deem necessary or
6 desirable to adequately identify and maintain such collateral, to service such
7 collateral, and to require that such lending institution shall hold such collateral as
8 agent for the corporation and shall be accountable to the corporation as the trustee
9 of an express trust for the application and disposition thereof and the income
10 therefrom solely to the uses and purposes in accordance with the provisions of such
11 agreement.

12 (3) A copy of each such agreement and any revisions or supplements thereto
13 shall be filed with the secretary of state, and no further filing or other action under
14 any other law of the state shall be required to perfect the security interest of the
15 corporation in such collateral or any additions thereto or substitutions therefor, and
16 the lien and trust for the benefit of the corporation so created shall be binding from
17 and after the time made against all parties having claims of any kind in tort, contract,
18 or otherwise against such lending institution.

19 (4) The corporation may also establish such additional requirements as it
20 shall deem necessary with respect to the pledging, assigning, setting aside or holding
21 of such collateral and the making of substitutions therefor or additions thereto and
22 the disposition of income and receipts therefrom.

23 F. The corporation shall require lending institutions that are the recipients
24 of loans from the corporation to submit evidence satisfactory to the agency that the
25 lending institution has used the proceeds of such loans by the corporation, or any
26 equivalent amount, to make mortgage loans with respect to residential housing and
27 that the lending institution has complied with the terms and conditions of such loans
28 as prescribed by the corporation. In connection therewith, the corporation, through

1 its employees or agents, may inspect the books and records of such lending
2 institution.

3 G. The corporation may require as a condition of any loans to lending
4 institutions such representations and warranties as it shall determine to be necessary
5 or desirable to service such loans and implement the provisions of this Section.

6 H. Subject to the rights of holders of bonds of the agency, the corporation
7 may collect, enforce the collection of, and foreclose on any collateral securing its
8 loans to lending institutions and acquire or take possession of such collateral and sell
9 the same at private or public sale, with or without public bidding, and otherwise deal
10 with such collateral as may be necessary to protect the interest of the corporation
11 therein.

12 I. To the extent that any provisions of this Section may be inconsistent with
13 any provision of the law of the state governing lending institutions, the provisions
14 of this Section shall control.

15 §600.93. Bonds of the corporation

16 A. The agency is hereby authorized and empowered to issue from time to
17 time bonds, notes, renewal notes, refunding bonds, interim certificates, certificates
18 of indebtedness, debentures, or other obligations or evidences of indebtedness
19 (hereinafter referred to collectively as "bonds") whether the interest thereon is
20 subject to taxation under the Internal Revenue Code of 1986 as now enacted or
21 subsequently amended or is exempt therefrom to provide funds for and to fulfill and
22 achieve its authorized public functions or corporate purposes as set forth in this
23 Chapter including but not limited to the following purposes:

24 (1) The purchase of insured mortgage loans from lending institutions.

25 (2) The making of secured loans to lending institutions.

26 (3) For construction of residential buildings.

27 (4) For the purchase of residential loans previously made and secured by first
28 mortgages and for the purchase of securities fully collateralized by first mortgages
29 on residential housing.

1 (5) For the purchase of "pre-packaged" residential first mortgage loans for
2 investment or resale.

3 (6) For the payment of interest on bonds of the corporation, the
4 establishment of reserves to secure such bonds, the establishment of reserves with
5 respect to the insurance of mortgage loans for residential housing.

6 (7) For all other expenditures of the corporation incident to and necessary
7 or convenient to carry out its public functions or corporate purposes.

8 B. Except as may otherwise be provided by the corporation, all bonds issued
9 by the agency shall be negotiable instruments and may be general obligations of the
10 agency, secured by the full faith and credit of the agency and payable out of any
11 money, assets or revenues of the agency or from any other sources whatsoever that
12 may be available to the agency.

13 C. The bonds of the corporation shall be solely the obligations of the
14 corporation. In no event shall any bonds of the corporation constitute an obligation,
15 either general or special, of the state, any municipality or any other political
16 subdivision of the state or constitute or give rise to a pecuniary liability of the state,
17 any municipality or any other political subdivision of the state; nor shall the agency
18 have the power to pledge the general credit or taxing power of the state, any
19 municipality or any other political subdivision of the state.

20 D. Bonds shall be authorized, issued and sold by a resolution or resolutions
21 of the agency adopted as provided in this Chapter. Such bonds may be of such
22 series, bear such date or dates, mature at such time or times, bear interest at such rate
23 or rates, payable at such time or times, be in such denominations, be sold at such
24 price or prices, at public or private negotiated sale, after advertisement as is provided
25 for in R.S. 39:1421 through R.S. 39:1427, be in such form, either in coupon form,
26 registered as to principal only or fully registered without coupons, carry such
27 registration and exchangeability privileges, be payable at such place or places, be
28 subject to such terms of redemption, and be entitled to such priorities on the income,
29 revenue and receipts of, or available to, the agency as may be provided by the agency

1 in the resolution or resolutions providing for the issuance and sale of the bonds of the
2 agency.

3 E. The bonds of the agency shall be signed by such commissioners or
4 officers of the agency, by either manual or facsimile signatures, as shall be
5 determined by resolution or resolutions of the agency, and shall have impressed or
6 imprinted thereon the seal of the agency, or a facsimile thereof. The coupons
7 attached to coupon bonds of the agency shall bear the facsimile signature of such
8 commissioner or officer of the agency as shall be determined by resolution or
9 resolutions of the agency.

10 F. Any bonds of the agency may be validly issued, sold and delivered,
11 notwithstanding that one or more of the commissioners or officers of the agency
12 signing such bonds, or whose facsimile signature or signatures may be on the bonds
13 or on coupons shall have ceased to be such commissioner or officer of the agency at
14 the time such bonds shall actually have been delivered.

15 G. Bonds of the agency may be sold in such manner and from time to time
16 as may be determined by the agency to be most beneficial, and the agency may pay
17 all expenses, premiums, or commissions which it may deem necessary or
18 advantageous in connection with the issuance and sale thereof, subject to the
19 provisions of this Chapter.

20 H. Bonds of the agency may be issued under and subject to such terms,
21 covenants or conditions, consistent with this Chapter, as may be determined by
22 resolution or resolutions of the agency to be necessary or desirable, including, but
23 not limited to all of the following:

24 (1) The establishment of a trust indenture or indentures by and between the
25 agency and a corporate trustee, which may be any bank or trust company having the
26 powers of a trust company, located within or without the state, that is acceptable to
27 the agency.

28 (a) Such trust indenture may provide for the pledging or assigning of any
29 assets or income from assets to which or in which the agency has any rights or

1 interest, and may further provide for such other rights and remedies exercisable by
2 the trustee as may be proper for the protection of the holders of the bonds of the
3 agency, and not otherwise in violation of law.

4 (b) Such agreement may provide for the restriction of the rights of any
5 individual holder of bonds of the agency.

6 (c) Such trust indenture may provide that all expenses incurred in carrying
7 out the provisions of such trust indenture may be treated as a part of the cost of
8 operation of the agency.

9 (d) The trust indenture may contain any further provisions which are
10 reasonable to delineate further the respective rights, duties, safeguards,
11 responsibilities and liabilities of the agency.

12 (2) The pledge or creation of a lien, to the extent provided by resolution or
13 resolutions of the agency, on all or any part of the money, assets or revenues of the
14 agency or on any money or assets held by others for the benefit of the agency to
15 secure the payment of such bonds.

16 (3) Provisions for the custody, collection, securing, investment and payment
17 of any money of or due to the agency.

18 (4) The creation or funding of reserves or sinking funds and the regulation
19 or disposition thereof.

20 (5) Limitations on the purposes to which the proceeds of the sale of any issue
21 of bonds then or thereafter to be issued may be applied.

22 (6) Limitations on the issuance of additional bonds and on the refunding of
23 outstanding or other bonds.

24 (7) The procedure, if any, by which the terms of any contract with the
25 holders of bonds of the agency may be amended or abrogated, the amount of bonds
26 the holders of which must consent thereto, and the manner in which such consent
27 may be given.

28 (8) The creation of special funds into which any money of the agency may
29 be deposited.

1 (9) The vesting in a trustee or trustees of such properties, rights, powers and
2 duties in trust as the agency may by resolution determine.

3 (10) The definition of the acts or omissions which shall constitute a default
4 in the obligations and duties of the agency and providing for the rights and remedies
5 of the holders of bonds of the agency in the event of such default in accordance with
6 the provisions of the Chapter and the general laws of the state.

7 (11) Any other matters of like or different character, which in any way affect
8 the security and protection of the bonds and the rights of the holders thereof.

9 I. The agency is hereby granted the total allocation for qualified mortgage
10 bonds for state housing finance agency issuers pursuant to the federal Mortgage
11 Subsidy Bond Tax Act of 1980, 26 U.S.C. 103A. Any allocation made pursuant to
12 the this act to issuers other than state housing finance agency issues which have not
13 been sold by September 1 of each year may be allocated, in whole or in part, by the
14 governor of the state of Louisiana to the agency.

15 §600.94. Statutory pledge

16 Any pledge made by the agency shall be valid and binding from the time
17 when the pledge is made. The money, assets or revenues of the agency so pledged
18 and thereafter received by the agency shall immediately be subject to the lien of such
19 pledge without any physical delivery thereof or further act, and the lien of any such
20 pledge shall be valid and binding as against all parties having claims of any kind in
21 tort, contract, or otherwise against the agency, irrespective of whether such parties
22 have notice thereof. Neither the resolution or any other instrument by which a
23 pledge is created need be recorded or filed in order to establish and perfect a lien or
24 security interest in the property so pledged.

25 §600.95. Refunding bonds

26 A. Subject to the rights of the holders of the bonds of the agency, the agency
27 is hereby authorized and empowered to issue from time to time its bonds for the
28 purpose of refunding any bonds of the agency then outstanding, together with the

1 payment of any redemption premiums thereon and interest accrued or to accrue to
2 the date of redemption of such outstanding bonds.

3 B. All such refunding bonds of the agency shall be issued, sold or
4 exchanged, and delivered, shall be secured, and shall be subject to the provisions of
5 this Chapter in the same manner and to the same extent as any other bonds issued by
6 the agency pursuant to this Chapter, unless otherwise determined by resolution of the
7 agency.

8 C. Refunding bonds issued by the agency as herein provided may be sold or
9 exchanged for outstanding bonds of the agency and, if sold, the proceeds thereof may
10 be applied, in addition to any other authorized purposes, to the purchase, redemption
11 or payment of such outstanding bonds.

12 D. Pending the application of the proceeds of any such refunding bonds, with
13 any other available funds, to the payment of the principal, accrued interest, and any
14 redemption premiums, if any, on the bonds being refunded, and, if so provided or
15 permitted in the trust indenture or the resolution of the agency authorizing the
16 issuance of such refunding bonds, to the payment of any interest on such refunding
17 bonds and any expenses in connection with such refunding, such proceeds may be
18 invested in direct obligations of, or obligations the principal and interest on which
19 are unconditionally guaranteed by, the United States which shall mature or which
20 shall be subject to redemption by the holders thereof, at the option of such holders,
21 not later than the respective dates when the proceeds, together with the interest
22 accruing thereon, will be required for the purposes intended.

23 §600.96. Liability of commissioners, officers or employees of the agency

24 The commissioners, officers or employees of the agency, or any other person
25 executing the bonds of the agency shall not be personally liable on the bonds or be
26 subject to any personal liability or accountability by reason of the issuance, sale or
27 delivery thereof while acting within the scope of their authority.

28 §600.97. Purchase of bonds by corporation

1 Subject to the rights of holders of bonds, the agency shall have the power out
2 of any funds available therefor, to purchase bonds of the agency, which shall
3 thereupon be cancelled, at a price not exceeding either of the following:

4 (1) If the bonds are then subject to optional redemption, the optional
5 redemption price then applicable plus accrued interest to the next interest payment
6 date thereon.

7 (2) If the bonds are not then subject to optional redemption, the optional
8 redemption price applicable on the first date after such purchase upon which the
9 notes or bonds become subject to optional redemption plus accrued interest to such
10 date.

11 §600.98. Approval of issuance of bonds by State Bond Commission

12 The approval of the State Bond Commission shall be obtained prior to the
13 issuance of any bonds of the agency. No notice to, or consent or approval by any
14 other governmental body or public officer shall be required as a prerequisite to the
15 issuance, sale or delivery of any bonds of the agency, or to the making of any loans
16 by the agency to lending institutions, or to the purchase of insured mortgage loans
17 by the agency from lending institutions, or to the insurance by the agency of any
18 mortgage loan with respect to residential housing, or to the exercise of any other
19 public function or corporate power of the agency, except as is expressly provided in
20 this Chapter.

21 §600.99. Exemption from taxes

22 A. It is hereby determined that the creation of the agency and the carrying
23 out of its public functions and corporate purposes is, in all respects, a public and
24 governmental purpose for the benefit of the people of the state, and for the
25 improvement of their health, safety, welfare, comfort and security and that said
26 functions and purposes are public purposes and that the agency will be performing
27 an essential governmental function in the exercise of the powers conferred upon it
28 by this Chapter.

1 B. The money, assets, revenues and operations of the agency shall be exempt
2 from all taxation by the state or any of its political subdivisions.

3 C. The agency shall not be required to pay any recording fee or transfer tax
4 of any kind on account of instruments recorded by it or on its behalf.

5 D. All bonds, notes, renewal notes, refunding bonds, interim certificates,
6 certificates of indebtedness, debentures or other obligations or evidences of
7 indebtedness, hereinafter collectively referred to as "bonds", authorized to be issued
8 by the agency pursuant to the provisions of this Chapter, together with interest
9 thereon, income therefrom, and gain upon the sale thereof shall be exempt from all
10 state and local taxes.

11 §600.100. Covenant of state

12 In consideration of the acceptance of and payment for the bonds of the
13 agency by the holders thereof, the state does hereby pledge to and agree with the
14 holders of any bonds of the agency issued pursuant to the provisions of this Chapter,
15 that the state will not impair, limit or alter the rights hereby vested in the agency to
16 fulfill the terms of any agreements made with the holders of the bonds of the agency,
17 or in any way impair the rights or remedies of such holders thereof, until such bonds,
18 together with the interest thereon, with interest on any unpaid installments of
19 interest, and all costs and expenses in connection with any action or proceedings by
20 or on behalf of such holders, are fully met and discharged. The agency is authorized
21 to include this pledge and agreement of the state in any agreement with the holders
22 of bonds of the agency.

23 §600.101. Trust funds

24 All monies received by the agency pursuant to the provisions of this Chapter
25 shall be deemed to be trust funds, to be held and applied solely to or for the public
26 functions and corporate purposes of the agency.

27 §600.102. Bonds as legal investment and security for public deposits

28 A. The state and all public officers, any parish or municipality, or other
29 subdivision or instrumentality of the state, any bank, banker, trust company, savings

1 bank and institution, building and loan association, savings and loan association,
2 investment company or any person carrying on a banking or investment business,
3 any insurance company or business, insurance associations and any person carrying
4 on an insurance business, and any executor, administrator, curator, trustee and other
5 fiduciary, and retirement system or pension fund may legally invest any sinking
6 funds, monies, or other funds belonging to them or within their control in any bonds
7 issued by the agency pursuant to the provisions of this Chapter, and such bonds shall
8 be authorized security for all public deposits.

9 B. It is the purpose of this Section to authorize such persons, firms,
10 corporations, associations, political subdivisions and officers, or other entities, public
11 or private, to use any funds owned or controlled by them, including, but not limited
12 to, sinking, insurance, investment, retirement, compensation, pension and trust funds,
13 and funds held on deposit, for the purchase of any such bonds of the agency, and that
14 any such bonds shall be authorized security for all public deposits. However,
15 nothing contained in this Section with regard to legal investments or security for
16 public deposits shall be construed as relieving any such person, firm or corporation
17 or other entity from any duty of exercising reasonable care in selecting securities.

18 §600.103. Accounts and audits

19 A. Subject to the provisions of any contract with the holders of its bonds, the
20 agency shall establish a system of accounts.

21 B. The Legislative Auditor shall prepare an annual audit of the accounts and
22 operations of the agency.

23 C. The agency shall submit to the governor and to both houses of the
24 legislature an annual report on the operations of the agency, together with a copy of
25 the report of every audit of the books and accounts of the agency, within sixty days
26 from the receipt thereof by the agency.

27 §600.104. Cooperation of state agencies

1 All state officers and agencies are authorized to render such services to the
2 agency within their respective functions as may be requested by the agency~~§600.105.~~

3 Suits to determine validity of bonds

4 Any suit to determine the validity of bonds of the agency shall be brought
5 only in accordance with R.S. 13:5121 et seq.

6 §600.106. State appropriations or grants

7 The state may make grants or appropriations of money or property to the
8 agency for the purpose of enabling it to carry out its public functions and corporate
9 purposes.

10 §600.107. Termination of agency

11 A. The agency and its corporate and public existence shall continue until
12 terminated by law, provided that no such law shall take effect so long as the agency
13 shall have bonds outstanding, unless adequate provision has been made for the
14 payment thereof.

15 B. Upon termination of the existence of the agency, all of its rights, money,
16 assets and revenues in excess of its obligations shall pass to and be vested in the
17 state.

18 §600.108. Construction of Chapter

19 This Chapter being necessary for the welfare of the state and its residents
20 shall be liberally construed to effect the purposes thereof.

21 §600.109. Fees

22 A. The corporation may charge application fees, processing fees, closing
23 costs, and mortgage and title insurance fees.

24 B. The corporation shall in accordance with the Administrative Procedure
25 Act, R.S. 49:950, et seq., promulgate the schedule of fees to be charged by the
26 corporation in connection with the programs administered by it. Such schedule shall
27 be submitted for approval to the Joint Legislative Committee on the Budget.

28 §600.110. Mortgage foreclosure counseling

1 A.(1) The Louisiana Housing Corporation, hereinafter referred to as the
2 agency, may establish a program to provide free mortgage foreclosure counseling
3 and education to homeowners who have defaulted or are in danger of defaulting on
4 the mortgages on their homes.

5 (2) If the agency establishes such a program, the agency may work with the
6 office of financial institutions and the office of financial institutions shall cooperate
7 with the agency to effectuate the purposes of this Section.

8 (3) The agency may enter into an agreement with any public, private, or
9 nonprofit entity to carry out any part of the mortgage foreclosure counseling and
10 education program.

11 (4) The program may include a central toll-free telephone number that
12 homeowners may call to receive mortgage foreclosure counseling and education.

13 (5) The agency may award grants for the training of counselors who will
14 provide mortgage foreclosure counseling and education from funds
15 appropriated by the legislature for that purpose or any other funding available
16 for that purpose.

17 (6) The agency may establish standards for the certification of
18 counselors who will provide mortgage foreclosure counseling and education.

19 B. The program shall be funded through self-generated funds of the
20 agency; however, the agency may solicit contributions and grants from the
21 private sector, nonprofit entities, and the federal government to assist in
22 carrying out the purposes of this Section.

23 C. The agency shall annually submit a report to the Senate Committee
24 on Commerce, Consumer Protection and International Affairs and the House
25 Committee on Commerce on the operation of the mortgage foreclosure
26 counseling and education program and shall include a summary of the
27 mortgage foreclosure rates and trends in Louisiana and the United States.

28 Section 2. R.S. 42:1124.2 is hereby amended and enacted to read as follows:

1 prevent any violation of the provisions, terms, or conditions of any gift, donation, deed, will,
2 trust, or other instrument or disposition by which property of any kind has been vested in the
3 abolished agencies, or diversion from the purposes for which such property was thus vested,
4 it is hereby specifically provided that each such instrument or disposition hereafter shall be
5 deemed to have been vested in the Louisiana Housing Corporation and its commissioners
6 or officers in the same manner and to the same extent as if originally so done.

7 C. The Louisiana Housing Corporation and its commissioners or officers shall be the
8 successor in every way to each such agency or program in which transfer is provided for in
9 this Act, including all of the obligations and debts of each such agency. All funds heretofore
10 dedicated by or under authority of the constitution and laws of this state or any of its
11 subdivisions to the payment of any bonds issued for construction or improvements for any
12 institution or facility under the control of any such agency shall continue to be collected and
13 dedicated to the payment of those bonds, unless under the constitution and laws such bonds
14 are now being paid out of moneys in the Bond Security and Redemption Fund. In like
15 manner, all other dedications and allocations of revenues and sources of revenues heretofore
16 made, which are constitutional under the Louisiana Constitution of 1974, shall continue,
17 until otherwise hereafter provided by the constitution, in the same manner, to the same
18 extent, and for the same purposes as were provided prior to the enactment of this Act.

19 D. This Act shall not be construed or applied in any way which will prevent full
20 compliance by the state, or any department, office, or agency thereof, with the requirements
21 of any Act of the Congress of the United States or any regulation made thereunder by which
22 federal aid or other federal assistance has been or hereafter is made available to this state,
23 or any department, office, agency, or subdivision thereof, anything contained in this Act to
24 the contrary notwithstanding, and such compliance hereafter shall be accomplished by the
25 commissioners or officers insofar as such compliance affects the transferred agencies in
26 accordance with the provisions of this Act.

27 E. On the effective date of this Act, the transferred agencies shall be abolished and
28 the Louisiana Housing Corporation shall be created. All unfinished business, references in
29 laws and documents, employees, property, obligations, and books and records of the

1 transferred agencies shall be transferred as provided in this Act. Upon the abolition of the
2 transferred agencies, any pending or unfinished business shall be taken over and be
3 completed by the Louisiana Housing Corporation with the same power and authorization as
4 that of the transferred agencies and the Louisiana Housing Corporation shall be the successor
5 in every way to the transferred agencies for the purpose of completing such business. Any
6 reference in laws and documents to the transferred agencies shall be deemed to apply to the
7 Louisiana Housing Corporation. Any legal proceeding to which the transferred agencies is
8 a party and which is filed, initiated, or pending before any court on the effective date of this
9 Act, and all documents involved in or affected by said legal proceeding, shall retain their
10 effectiveness and shall be continued in the name of the Louisiana Housing Corporation. All
11 further legal proceedings and documents in the continuation, disposition, and enforcement
12 of such legal proceeding shall be in the name of the Louisiana Housing Corporation, and the
13 Louisiana Housing Corporation shall be substituted for the transferred agencies without
14 necessity for amendment of any document. This Act shall not be construed so as to impair
15 the effectiveness of any rule or policy of the transferred agencies and any such rule or policy
16 shall remain effective as provided therein or until changed as otherwise provided by law.
17 This Act shall not be construed so as to impair the contractual or other obligations of the
18 transferred agencies or of the state of Louisiana. All obligations of the transferred agencies
19 shall be the obligations of the Louisiana Housing Corporation. The Louisiana Housing
20 Corporation shall be the successor in every way to the transferred agencies, including all of
21 its obligations and debts. All dedications and allocations of revenues and sources of revenues
22 heretofore made shall continue in the same manner, to the same extent, and for the same
23 purposes as were provided prior to the enactment of this Act, unless and until other provision
24 is made therefor. This Act shall not be construed or applied in any way which will prevent
25 full compliance by the state, or any department, office, or agency thereof, with the
26 requirements of any Act of the Congress of the United States or any regulation made
27 thereunder by which federal aid or other federal assistance has been or hereafter is made
28 available. All books, papers, records, money, actions, and other property of every kind,
29 movable and immovable, real and personal, heretofore possessed, controlled, or used by the

1 transferred agencies is hereby transferred to the Louisiana Housing Corporation. All
2 employees heretofore engaged in the performance of duties of the transferred agencies,
3 insofar as practicable and necessary are hereby transferred to the Louisiana Housing
4 Corporation and shall continue to perform the duties heretofore performed, subject to
5 applicable state civil service laws, rules, and regulations and other applicable laws. Subject
6 to such laws, positions in the unclassified service shall remain in the unclassified service.

7 Section 5. A. In order to effect an orderly transfer of the programs, powers, duties,
8 responsibilities, and functions as provided in this Act, the procedures to be followed for such
9 purposes shall be set forth in this Section.

10 B. No later than six months from the effective date of this Act, the board of directors
11 of the Louisiana Housing Corporation shall be appointed as provided for in this Act.

12 C. The full implementation of the transfer of programs, powers, duties,
13 responsibilities, and functions necessary to implement the provisions of this Act shall be
14 effective not later than six months from the effective date of this Act.

15 D.(1) On or after the effective date of this Act, the commissioner of administration,
16 the president of the Senate or his designee, and speaker of the House of Representatives or
17 his designee shall form a transition committee that shall be terminated no more than six
18 months from the effective date of this Act.

19 (2) The transition committee shall determine such workable transition plans for the
20 transfer of programs, powers, duties, responsibilities, and functions as shall be necessary to
21 implement the provisions of this Act. Such plans shall include detailed procedures for such
22 realignment, distribution, assignment, consolidation, and coordination of agencies, programs
23 and functions designated within this Act. Such plans shall include detailed procedures for
24 the transfer and utilization of positions, personnel, funds, office space, facilities, equipment,
25 and such other detail as is necessary to effectuate the purpose of this Act. The transition
26 committee shall have the authority to establish subcommittees to report and make
27 recommendations with respect to transition plans and their implementation.

28 Section 6. The Louisiana State Law Institute is hereby directed to change all
29 references to the "Louisiana Housing Finance Agency", the "Road Home Corporation" or

1 the "Louisiana Land Trust" to the "Louisiana Housing Corporation" throughout the
2 Louisiana Revised Statute of 1950.

3 Section 7. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Carmody

HB No. 590

Present law includes provisions regarding the Louisiana Housing Finance Authority, the Road Home Corporation, the Louisiana Land Trust, and the Louisiana Housing Corporation which together are charged with the responsibility of providing access to decent, safe, sanitary, and affordable housing.

Proposed law repeals all of the previous entities, charged with the responsibility of providing access to decent, safe, sanitary, and affordable housing and transfers that responsibility to the newly created Louisiana Housing Corporation.

Proposed law includes legislative findings regarding access to decent, safe, sanitary, and affordable residential housing and the definitions of terms used in the Chapter.

Proposed law provides for the creation of the Louisiana Housing Corporation and for its organization, including being governed by an appointed board of directors, and those appointed by the governor shall be subject to Senate confirmation.

Proposed law provides for the powers, duties, and procedures of the corporation.

Proposed law corporation shall have powers necessary to undertake and perform the purposes of the act, including, but not limited to the following:

1. To execute contracts of various types.
2. To sue and be sued.
3. To accept donations of both movable and immovable property.
4. To procure insurance and reinsurance.
5. To contract with state and federal government agencies and with mortgage and lending institutions.
6. To set and collect fees.
7. To own, hold, clear, improve, lease, sell, convey, and invest in immovable property.
8. To borrow money and issue bonds.

Proposed law requires the corporation to establish policy for housing finance for all entities involved in financing single family or multi-family housing.

Proposed law provides for the development of a plan for the realignment, distribution, assignment, consolidation, and cooperation of agencies and the procedures for the transfer of both programs and personnel involved in the agencies which are consolidated into the Louisiana Housing Corporation.

Proposed law provides that the corporation may sell residential loans and may package such loans for sale.

Proposed law provides for the Louisiana Housing Corporation to have all legal duties and powers to improve the access to decent, safe, sanitary, and affordable housing for residents of Louisiana.

Proposed law provides that the corporation may establish requirements for lending institutions that hold collateral and those that are recipients of loans from the corporation.

Proposed law provides procedures regulating the issuance of and the sale of such bonds as the corporation is authorized to issue.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 40:600.86-600.110; 42:1124.2; repeals R.S. 40:600.1-600.25.1 and 40:600.61-600.68.)