
HOUSE BILL 2098

State of Washington

67th Legislature

2022 Regular Session

By Representative Shewmake

1 AN ACT Relating to modifying the interest rate for the low-income
2 home rehabilitation revolving loan program; amending RCW 43.330.482;
3 and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.330.482 and 2017 c 285 s 2 are each amended to
6 read as follows:

7 (1) Subject to availability of amounts appropriated for this
8 specific purpose, the low-income home rehabilitation revolving loan
9 program is created within the department.

10 (2) The program must include the following elements:

11 (a) Eligible homeowners must be low-income and live in rural
12 areas.

13 (b) Homeowners who are senior citizens, persons with
14 disabilities, families with children five years old and younger, and
15 veterans must receive priority for loans.

16 (c) The cost of the home rehabilitation must be the lesser of
17 eighty percent of the assessed value of the property post
18 rehabilitation or (~~forty thousand dollars~~) \$40,000.

19 (d) The maximum amount that may be loaned under this program may
20 not exceed the cost of the home rehabilitation as provided in (c) of
21 this subsection, and must not result in total loans borrowed against

1 the property equaling more than (~~eighty~~) 80 percent of the assessed
2 value.

3 (e) The interest rate of the loan must be equal to the lesser of
4 the previous calendar year's annual average consumer price index
5 compiled by the bureau of labor statistics, United States department
6 of labor or one and one-half percent.

7 (f) The department must allow participating homeowners to defer
8 repayment of the loan principal and interest and any fees related to
9 the administration or issuance of the loan. Any amounts deferred
10 pursuant to this section become a lien in favor of the state. The
11 lien is subordinate to liens for general taxes, amounts deferred
12 under chapter 84.37 or 84.38 RCW, or special assessments as defined
13 in RCW 84.38.020. The lien is also subordinate to the first deed of
14 trust or the first mortgage on the real property but has priority
15 over all other privileges, liens, monetary encumbrances, or other
16 security interests affecting the real property, whenever incurred,
17 filed, or recorded. The department must take such necessary action to
18 file and perfect the state's lien. All amounts due under the loan
19 become due and payable upon the sale of the home or upon change in
20 ownership of the home.

21 (3) All moneys from repayments must be deposited into the low-
22 income home rehabilitation revolving loan program account created in
23 RCW 43.330.488.

24 (4) The department must adopt rules for implementation of this
25 program.

26 NEW SECTION. **Sec. 2.** This act is remedial, curative, and
27 retroactive, and it applies to all loans issued on or after January
28 1, 2022. To this extent, this act applies retroactively, but in all
29 other respects applies prospectively.

--- END ---