

11-25-19 Loan agreements with participating parties -- Contents -- Rates, fees, and charges -- Purposes.

The agency may enter into loan agreements with any participating party relating to residential rehabilitation of any kind or character. The terms and conditions of the loan agreements may be as mutually agreed upon. Any loan agreement may provide the means or methods by which any mortgage taken by the agency shall be discharged, and it shall contain such other terms and conditions as the agency may require. The agency is authorized to fix, revise, charge, and collect interest and principal and all other rates, fees, and charges with respect to financing of residential rehabilitation. These rates, fees, charges, and interest shall be fixed and adjusted so that the aggregate of the rates, fees, charges, and interest will provide funds sufficient with other revenues and money which it is anticipated will be available therefor, if any, to do all of the following:

- (1) Pay the principal of and interest on outstanding bonds of the agency issued to finance such residential rehabilitation as the same shall become due and payable.
- (2) Create and maintain reserves required or provided for in any resolution authorizing such bonds. A sufficient amount of the revenues derived from residential rehabilitation may be set aside at such regular intervals as may be provided by the resolution in a sinking or other similar fund, which is hereby pledged to, and charged with, the payment of the principal of and interest on the bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. The pledge shall be valid and binding from the time the pledge is made. The rates, fees, interest, and other charges, revenues, or money so pledged and thereafter received by the local agency shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the agency, irrespective of whether the parties have notice thereof. Neither the resolution nor any loan agreement by which a pledge is created need be filed or recorded except in the records of the agency. The use and disposition of money to the credit of the sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds. Except as may otherwise be provided in the resolution, the sinking or other similar fund may be a fund for all bonds of the agency issued to finance the rehabilitation of the residence of a particular participating party without distinction or priority. The agency, however, in any resolution may provide that the sinking or other similar fund shall be the fund for a particular residential rehabilitation project or projects and for the bonds issued to finance such residential rehabilitation project or projects and may, additionally, authorize and provide for the issuance of bonds having a lien with respect to the security authorized by this section which is subordinate to the lien of other bonds of the agency, and, in this case, the agency may create separate sinking or other similar funds securing the bonds having the subordinate lien.
- (3) Pay operating and administrative costs of the agency incurred in the administration of the program authorized by this part.

Enacted by Chapter 276, 1977 General Session