

Effective 5/12/2015

**Part 1
General Provisions**

63H-8-101 Title.

This chapter is known as the "Utah Housing Corporation Act."

Renumbered and Amended by Chapter 226, 2015 General Session

63H-8-102 Policy -- Finding and declaration.

- (1) The Legislature declares that the policy of the state is to assure the health, safety, and welfare of its citizens, that an adequate supply of decent, safe, and sanitary housing is essential to the well-being of the citizens of the state, and that an adequate supply of mortgage funds for housing at reasonable interest rates is in the public interest.
- (2) The Legislature finds and declares that:
 - (a) there continues to exist throughout the state a seriously inadequate supply of safe and sanitary dwelling accommodations within the financial means of persons and families of low or moderate income who wish to purchase or rent residential housing;
 - (b) from time to time the high rates of interest charged by mortgage lenders seriously restrict the transfer of existing housing and new housing starts;
 - (c) the reduction in residential construction starts associated with the high rates causes a condition of substantial unemployment and underemployment in the construction industry which impedes the economy of the state and affects the welfare and prosperity of all the people of the state;
 - (d) these conditions associated with the recurrent shortages of residential mortgage funds contribute to slums and blight in the cities and rural areas of the state and ultimately to the deterioration of the quality of living conditions within the state;
 - (e) in accordance with the purpose of this chapter to assist in providing housing for low and moderate income persons who otherwise could not achieve decent, safe, and sanitary housing, the corporation shall make every effort to make housing available in rural, inner city, and other areas experiencing difficulty in securing construction and mortgage loans, and to make decent, safe, and sanitary housing available to low income persons and families;
 - (f) in order to assure an adequate supply of private capital for this housing, the cooperation between private enterprise and state government is essential and is in the public interest;
 - (g) low and moderate income persons in Utah have a wide range of housing needs, which necessitates the development of many different kinds of programs to address those needs, including programs providing mortgage loans, nontraditional loans, grants, and other forms of financial assistance, and combinations of these forms;
 - (h) there are private organizations and governmental entities throughout Utah that are endeavoring to improve the availability of housing for low and moderate income persons and families, but many of these organizations and entities lack expertise and financial resources to act efficiently and expeditiously in these efforts;
 - (i) innovative programs that bring together resources from the public, nonprofit, and private sector are necessary in order to increase the supply of housing for low and moderate income persons and families, but these programs usually need advice and financial assistance to become established;

- (j) all of the foregoing are public purposes and uses for which money may be borrowed, expended, advanced, loaned, or granted, and that these activities serve a public purpose in improving or otherwise benefiting the people of this state, and that the necessity of enacting the provisions in this chapter is in the public interest and is so declared as a matter of express legislative determination; and
 - (k) the compelling need within the state for the creation of an adequate supply of mortgage funds at reasonable interest rates and for other kinds of financial assistance to help provide affordable housing for low and moderate income individuals can be best met by the establishment of an independent body corporate and politic, constituting a public corporation, vested with the powers and duties specified in this chapter.
- (3) The Legislature declares that the corporation is intended to operate:
- (a) with the power to issue tax exempt bonds to finance the purchase of mortgage loans to qualified buyers;
 - (b) as a financially independent body; and
 - (c) so that its debts shall be payable solely from payments received by the corporation from mortgage borrowers and other revenues generated internally by the corporation.

Renumbered and Amended by Chapter 226, 2015 General Session

63H-8-103 Definitions.

As used in this chapter:

- (1) "Bonds," "notes," and "other obligations" mean bonds, notes, debentures, interim certificates, or other evidences of financial indebtedness of the corporation authorized to be issued under the provisions of this chapter.
- (2) "Construction loan" means a short-term advance of money for the purpose of constructing residential housing for low and moderate income persons.
- (3) "Corporation" means the Utah Housing Corporation created by Section 63H-8-201, which, prior to July 1, 2001, was named the Utah Housing Finance Agency.
- (4) "Employee of the corporation" means an individual who is employed by the corporation but who is not a trustee of the corporation.
- (5) "Financial assistance" includes:
 - (a) a loan, whether interest or noninterest bearing, secured or unsecured;
 - (b) a loan that converts to a grant upon the occurrence of specified conditions;
 - (c) a development loan;
 - (d) a grant;
 - (e) an award;
 - (f) a subsidy;
 - (g) a guarantee;
 - (h) a warranty;
 - (i) a lease;
 - (j) a payment on behalf of a borrower of an amount usually paid by a borrower, including a down payment;
 - (k) any other form of financial assistance that helps provide affordable housing for low and moderate income persons; or
 - (l) any combination of Subsections (5)(a) through (k).
- (6) "Housing development" means a residential housing project, which includes residential housing for low and moderate income persons.

- (7) "Housing sponsor" includes a person who constructs, develops, rehabilitates, purchases, or owns a housing development that is or will be subject to legally enforceable restrictive covenants that require the housing development to provide, at least in part, residential housing to low and moderate income persons, including a local public body, a nonprofit, limited profit, or for profit corporation, a limited partnership, a limited liability company, a joint venture, a subsidiary of the corporation, or any subsidiary of the subsidiary, a cooperative, a mutual housing organization, or other type of entity or arrangement that helps provide affordable housing for low and moderate income persons.
- (8) "Interest rate contract" means an interest rate exchange contract, an interest rate floor contract, an interest rate ceiling contract, or another similar contract authorized in a resolution or policy adopted or approved by the trustees.
- (9) "Local public body" means the state, a municipality, county, district, or other subdivision or instrumentality of the state, including a redevelopment agency and a housing authority created under Title 35A, Chapter 8, Part 4, Housing Authorities.
- (10) "Low and moderate income persons" means individuals, irrespective of race, religion, creed, national origin, or sex, as determined by the corporation to require such assistance as is made available by this chapter on account of insufficient personal or family income taking into consideration factors, including:
 - (a) the amount of income that persons and families have available for housing needs;
 - (b) the size of family;
 - (c) whether a person is a single head of household;
 - (d) the cost and condition of available residential housing; and
 - (e) the ability of persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing.
- (11) "Mortgage" means a mortgage, deed of trust, or other instrument securing a mortgage loan and constituting a lien on real property (the property being held in fee simple or on a leasehold under a lease having a remaining term, at the time the mortgage is acquired, of not less than the term for repayment of the mortgage loan secured by the mortgage) improved or to be improved by residential housing, creating a lien that may be first priority or subordinate.
- (12) "Mortgage lender" means a bank, trust company, savings and loan association, credit union, mortgage banker, or other financial institution authorized to transact business in the state, a local public body, or other entity, profit or nonprofit, that makes mortgage loans.
- (13) "Mortgage loan" means a loan secured by a mortgage, which loan may bear interest at either a fixed or variable rate or which may be noninterest bearing, the proceeds of which are used for the purpose of financing the construction, development, rehabilitation, purchase, or refinancing of residential housing for low and moderate income persons.
- (14) "Rehabilitation" includes the reconstruction, rehabilitation, improvement, and repair of residential housing.
- (15) "Residential housing" means a specific work or improvement within the state undertaken primarily to provide dwelling accommodations, including land, buildings, and improvements to land and buildings, whether in one to four family units or multifamily units, and other incidental or appurtenant nonhousing facilities, or as otherwise specified by the corporation.
- (16) "State" means the state of Utah.
- (17) "State housing credit ceiling" means the amount specified in Subsection 42(h)(3)(C) of the Internal Revenue Code for each calendar year.

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