

By: Morris

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1384

1 AN ACT TO AMEND SECTION 43-33-704, MISSISSIPPI CODE OF 1972,  
2 TO RECONSTITUTE THE MEMBERSHIP OF THE MISSISSIPPI HOME CORPORATION  
3 EFFECTIVE JULY 1, 2000; TO END THE TERM OF OFFICE OF EXISTING  
4 MEMBERS EFFECTIVE JUNE 30, 2000; TO PROVIDE THAT THE GOVERNOR  
5 SHALL APPOINT THE THIRTEEN MEMBERS OF THE RECONSTITUTED MEMBERSHIP  
6 OF THE CORPORATION, WITH THE ADVICE AND CONSENT OF THE SENATE; TO  
7 AMEND SECTION 43-33-729, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
8 AMOUNT OF BONDS THAT THE MISSISSIPPI HOME CORPORATION MAY ISSUE TO  
9 AN ANNUAL AMOUNT OF \$150,000,000.00 THROUGH JUNE 30, 2003; TO  
10 AMEND SECTION 43-33-751, TO REVISE THE CONFLICT OF INTEREST  
11 REQUIREMENTS FOR THE CORPORATION'S BOARD OF DIRECTORS; TO AMEND  
12 SECTION 43-33-711, MISSISSIPPI CODE OF 1972, IN CONFORMITY  
13 THERETO; AND FOR RELATED PURPOSES.

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

15 SECTION 1. Section 43-33-704, Mississippi Code of 1972, is  
16 amended as follows:[WAN1]

17 43-33-704. (1) There is created by this article the  
18 Mississippi Home Corporation, which shall be a continuation of the  
19 corporate existence of the Mississippi Housing Finance Corporation  
20 and (a) all property, rights and powers of the Mississippi Housing  
21 Finance Corporation are vested in, and shall be exercised by, the  
22 corporation, subject, however, to all pledges, covenants,  
23 agreements, undertakings and trusts made or created by the  
24 Mississippi Housing Finance Corporation; (b) all references to the  
25 Mississippi Housing Finance Corporation in any other law or  
26 regulation shall be deemed to refer to and apply to the  
27 corporation; and (c) all regulations of the Mississippi Housing  
28 Finance Corporation shall continue to be in effect as the  
29 regulations of the corporation until amended, supplemented or  
30 rescinded by the corporation in accordance with law.

31 (2) The corporation is created with power to: raise funds

32 from private investors in order to make such private funds  
33 available to finance the acquisition, construction, rehabilitation  
34 and improvement of residential and rental housing for persons of  
35 low or moderate income within the state; provide financing to  
36 qualified sponsors or individuals for a wide range of loans  
37 including, but not limited to, housing development, mortgage,  
38 rehabilitation or energy conservation loans; make loans to private  
39 lenders to finance any of these loans; purchase any of these loans  
40 from private lenders; refinance, insure or guarantee any of these  
41 loans; provide for temporary or partial financing for any of these  
42 purposes; develop, operate and administer housing programs which  
43 further its stated goals of improving the availability,  
44 affordability and quality of low and moderate income housing in  
45 the state; and make grants or loans to private nonprofit  
46 developers, local governments or private persons in furtherance of  
47 these goals;

48 (3) (a) The corporation shall be composed of thirteen (13)  
49 members. The Governor, with the advice and consent of the Senate,  
50 shall appoint the members of the corporation, who shall be  
51 residents of the state and shall not hold other public office.  
52 There shall be at least one (1) member and not more than three (3)  
53 members appointed from each of the five (5) congressional  
54 districts in existence on January 1, 1989, and, in addition, (a)  
55 from and after September 1, 1980, (i) at least one (1) member  
56 shall have at least three (3) years' experience and background in  
57 the savings and loan association business, the commercial banking  
58 business or the mortgage banking business, (ii) at least one (1)  
59 member shall have at least three (3) years' experience and  
60 background in the residential housing construction industry, (iii)  
61 at least one (1) member shall have at least three (3) years'  
62 experience and background in the licensed residential housing  
63 brokerage business, and (iv) at least one (1) member shall be a  
64 member of the general public not engaged in any business, industry

65 or activity described in clauses (i) through (iii) of this  
66 subparagraph; from and after September 1, 1989, (i) at least one  
67 (1) member shall have at least three (3) years' experience and  
68 background in the manufactured housing business; (ii) at least one  
69 (1) member shall have at least three (3) years' experience and  
70 background in nonprofit housing development in a Metropolitan  
71 Statistical Area (MSA); (iii) at least one (1) member shall have  
72 at least three (3) years' experience and background in nonprofit  
73 housing development outside a MSA; and (iv) at least (1) member  
74 shall be a low or moderate income person qualified for assistance  
75 under this article.

76 (b) The term of office of the members of the  
77 corporation who are serving pursuant to this subsection (3) shall  
78 terminate on June 30, 2000.

79 (4) From and after July 1, 2000, the membership of the  
80 corporation is reconstituted as provided in this subsection (4).  
81 The Governor, with the advice and consent of the Senate, shall  
82 appoint thirteen (13) members of the corporation, who shall be  
83 residents of the state. The Governor shall appoint four (4)  
84 members from each Supreme Court District and one (1) member from  
85 the state at large, and in addition, (a) at least one (1) member  
86 shall have at least three (3) years' experience and background in  
87 the savings and loan association business, the commercial banking  
88 business or the mortgage banking business; (b) at least one (1)  
89 member shall have at least three (3) years' experience and  
90 background in the residential housing construction industry; (c)  
91 at least one (1) member shall have at least three (3) years'  
92 experience and background in the licensed residential housing  
93 brokerage business; (d) at least one (1) member shall have at  
94 least three (3) years' experience and background in the  
95 manufactured housing business; (e) at least one (1) member shall  
96 have at least three (3) years' experience and background in  
97 nonprofit housing development in a metropolitan statistical area

98 (MSA); (f) at least one (1) member shall have at least three (3)  
99 years' experience and background in nonprofit housing development  
100 outside a MSA; (g) at least (1) member shall be a low or moderate  
101 income person qualified for assistance under this article; and (h)  
102 at least one (1) member shall be a member of the general public  
103 not engaged in any business, industry or activity described in  
104 clauses (a) through (g) of this subsection. In the appointment  
105 process, the Governor will attempt to see that all portions of  
106 society and its diversity are represented in the membership of the  
107 corporation. One (1) member from each Supreme Court District  
108 shall be appointed by the Governor for an initial term of two (2)  
109 years, one (1) member from each Supreme Court District shall be  
110 appointed by the Governor for an initial term of four (4) years,  
111 and the remaining members shall be appointed by the Governor for  
112 initial terms of six (6) years. Thereafter, the term of members  
113 of the corporation appointed by the Governor shall be as provided  
114 in subsection (5) of this section.

115 (5) Except as otherwise provided in subsection (3)(b) and  
116 subsection (4) of this section, appointments shall be for terms of  
117 six (6) years. Each member shall hold office until his successor  
118 has been appointed and qualified. Vacancies shall be filled by  
119 appointment by the appropriate appointing authority, subject to  
120 the advice and consent of the Senate, for the length of the  
121 unexpired term only. Any member of the corporation shall be  
122 eligible for reappointment. Any member of the corporation may be  
123 removed by the appointing authority for misfeasance, malfeasance  
124 or willful neglect of duty after reasonable notice and a public  
125 hearing, unless the same are expressly waived in writing. Each  
126 member of the corporation shall before entering upon his duty take  
127 an oath of office to administer the duties of his office  
128 faithfully and impartially, and a record of such oath shall be  
129 filed in the office of the Secretary of State. The corporation  
130 shall annually elect from its membership a chairman who shall be

131 eligible for reelection. The corporation shall annually elect  
132 from its membership a vice chairman who shall be eligible for  
133 reelection. The corporation shall also elect or appoint, and  
134 prescribe the duties of, such other officers (who need not be  
135 members) as the corporation deems necessary or advisable, and the  
136 corporation shall fix the compensation of such officers. The  
137 corporation may delegate to one or more of its members, officers,  
138 employees or agents such powers and duties as it may deem proper,  
139 not inconsistent with this article or other provisions of law.

140 \* \* \*

141 (6) In accomplishing its purposes, the corporation is acting  
142 in all respects for the benefit of the people of the state and the  
143 performance of essential public functions and is serving a vital  
144 public purpose in approving and otherwise promoting their health,  
145 welfare and prosperity, and the enactment of the provisions  
146 hereinafter set forth is for a valid public purpose and is hereby  
147 so declared to be such as a matter of express legislative  
148 determination.

149 \* \* \*

150 SECTION 2. Section 43-33-729, Mississippi Code of 1972, is  
151 amended as follows:

152 **[Through June 30, 2003, this section shall read as follows:]**

153 43-33-729. (1) The corporation may from time to time issue  
154 its negotiable bonds and notes in such principal amounts as, in  
155 the opinion of the corporation, shall be necessary to provide  
156 sufficient funds for achieving the corporate purposes thereof,  
157 including operating expenses and reserves, the payment of interest  
158 on bonds and notes of the corporation, establishment of reserves  
159 to secure such bonds and notes, and all other expenditures of the  
160 corporation incident to and necessary or convenient to carry out  
161 its corporate purposes and powers. Provided, except as otherwise  
162 authorized herein, bonds and notes may be issued annually under  
163 this article in an aggregate principal amount not to exceed One

164 Hundred Fifty Million Dollars (\$150,000,000.00), excluding bonds  
165 and notes issued to refund outstanding bonds and notes.

166 (2) The provisions of Sections 75-71-1 through 75-71-57,  
167 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall  
168 not apply to bonds and notes issued under the authority of this  
169 article, and no application for a formal exemption from the  
170 provisions of such act shall be required with respect to such  
171 bonds and notes.

172 (3) Except as may otherwise be expressly provided by the  
173 corporation, all bonds and notes issued by the corporation shall  
174 be general obligations of the corporation, secured by the full  
175 faith and credit of the corporation and payable out of any monies,  
176 assets or revenues of the corporation, subject only to any  
177 agreement with the bondholders or noteholders pledging any  
178 particular monies, assets or revenues.

179 The corporation may issue bonds or notes to which the  
180 principal and interest are payable:

181 (a) Exclusively from the revenues of the corporation  
182 resulting from the use of the proceeds of such bonds or notes; or

183 (b) Exclusively from any particular revenues of the  
184 corporation, whether or not resulting from the use of the proceeds  
185 of such bonds or notes.

186 (4) Any bonds or notes issued by the corporation may be  
187 additionally secured:

188 (a) By private insurance, by a direct pay or standby  
189 letter of credit, or by any other credit enhancement facility  
190 procured by the corporation for the payment of any such bonds;

191 (b) By a pledge of any grant, subsidy or contribution  
192 from the United States or any agency or instrumentality thereof,  
193 or from the state or any agency, instrumentality or political  
194 subdivision thereof, or from any person, firm or corporation; or

195 (c) By the pledge of any securities, funds or reserves  
196 (or earnings thereon) available to the corporation.

197           (5) Bonds and notes issued by the corporation shall be  
198 authorized by a resolution or resolutions of the corporation  
199 adopted as provided for by this article; provided, that any such  
200 resolution authorizing the issuance of bonds or notes may delegate  
201 to an officer or officers of the corporation the power to issue  
202 such bonds or notes from time to time and to fix the details of  
203 any such issues of bonds or notes by an appropriate certification  
204 of such authorized officer.

205           (6) Except as specifically provided in this article, no  
206 notice, consent or approval by any governmental body or public  
207 officer shall be required as a prerequisite to the issuance, sale  
208 or delivery of any bonds or notes of the corporation pursuant to  
209 the provisions of this article. However, all bonds or notes  
210 issued pursuant to this article may be validated, except as  
211 otherwise provided in this section, in accordance with the  
212 provisions of Sections 31-13-1 through 31-13-11, Mississippi Code  
213 of 1972, in the same manner as provided therein for bonds issued  
214 by a municipality. Any such validation proceedings shall be held  
215 in the First Judicial District of Hinds County, Mississippi.  
216 Notice thereof shall be given by publication in any newspaper  
217 published in the City of Jackson, Mississippi, and of general  
218 circulation throughout the state.

219           (7) It is hereby determined that the corporation is the sole  
220 entity in the state authorized to issue bonds or notes for the  
221 purposes of financing low and moderate income rental or  
222 residential housing as set forth in this article. In addition,  
223 the corporation shall have the power to issue mortgage credit  
224 certificates, as provided by Section 25 of the Internal Revenue  
225 Code of 1954, as amended, and to comply with all of the terms and  
226 conditions set forth in Section 25, as the same may be amended  
227 from time to time.

228           **[From and after July 1, 2003, this section shall read as**  
229 **follows:]**

230           43-33-729. (1) The corporation may from time to time issue  
231 its negotiable bonds and notes in such principal amounts as, in  
232 the opinion of the corporation, shall be necessary to provide  
233 sufficient funds for achieving the corporate purposes thereof,  
234 including operating expenses and reserves, the payment of interest  
235 on bonds and notes of the corporation, establishment of reserves  
236 to secure such bonds and notes, and all other expenditures of the  
237 corporation incident to and necessary or convenient to carry out  
238 its corporate purposes and powers. Provided, except as otherwise  
239 authorized herein, bonds and notes shall not be issued under this  
240 article in an aggregate principal amount exceeding One Hundred  
241 Ninety Million Dollars (\$190,000,000.00), excluding bonds and  
242 notes issued to refund outstanding bonds and notes.

243           (2) The provisions of Sections 75-71-1 through 75-71-57,  
244 Mississippi Code of 1972 (the "Mississippi Securities Act"), shall  
245 not apply to bonds and notes issued under the authority of this  
246 article, and no application for a formal exemption from the  
247 provisions of such act shall be required with respect to such  
248 bonds and notes.

249           (3) Except as may otherwise be expressly provided by the  
250 corporation, all bonds and notes issued by the corporation shall  
251 be general obligations of the corporation, secured by the full  
252 faith and credit of the corporation and payable out of any monies,  
253 assets or revenues of the corporation, subject only to any  
254 agreement with the bondholders or noteholders pledging any  
255 particular monies, assets or revenues.

256           The corporation may issue bonds or notes to which the  
257 principal and interest are payable:

258           (a) Exclusively from the revenues of the corporation  
259 resulting from the use of the proceeds of such bonds or notes; or

260           (b) Exclusively from any particular revenues of the  
261 corporation, whether or not resulting from the use of the proceeds  
262 of such bonds or notes.



263           (4) Any bonds or notes issued by the corporation may be  
264 additionally secured:

265           (a) By private insurance, by a direct pay or standby  
266 letter of credit, or by any other credit enhancement facility  
267 procured by the corporation for the payment of any such bonds;

268           (b) By a pledge of any grant, subsidy or contribution  
269 from the United States or any agency or instrumentality thereof,  
270 or from the state or any agency, instrumentality or political  
271 subdivision thereof, or from any person, firm or corporation; or

272           (c) By the pledge of any securities, funds or reserves  
273 (or earnings thereon) available to the corporation.

274           (5) Bonds and notes issued by the corporation shall be  
275 authorized by a resolution or resolutions of the corporation  
276 adopted as provided for by this article; provided, that any such  
277 resolution authorizing the issuance of bonds or notes may delegate  
278 to an officer or officers of the corporation the power to issue  
279 such bonds or notes from time to time and to fix the details of  
280 any such issues of bonds or notes by an appropriate certification  
281 of such authorized officer.

282           (6) Except as specifically provided in this article, no  
283 notice, consent or approval by any governmental body or public  
284 officer shall be required as a prerequisite to the issuance, sale  
285 or delivery of any bonds or notes of the corporation pursuant to  
286 the provisions of this article. However, all bonds or notes  
287 issued pursuant to this article may be validated, except as  
288 otherwise provided in this section, in accordance with the  
289 provisions of Sections 31-13-1 through 31-13-11, Mississippi Code  
290 of 1972, in the same manner as provided therein for bonds issued  
291 by a municipality. Any such validation proceedings shall be held  
292 in the First Judicial District of Hinds County, Mississippi.  
293 Notice thereof shall be given by publication in any newspaper  
294 published in the City of Jackson, Mississippi, and of general  
295 circulation throughout the state.

296 (7) It is hereby determined that the corporation is the sole  
297 entity in the state authorized to issue bonds or notes for the  
298 purposes of financing low and moderate income rental or  
299 residential housing as set forth in this article. In addition,  
300 the corporation shall have the power to issue mortgage credit  
301 certificates, as provided by Section 25 of the Internal Revenue  
302 Code of 1954, as amended, and to comply with all of the terms and  
303 conditions set forth in Section 25, as the same may be amended  
304 from time to time.

305 SECTION 3. Section 43-33-751, Mississippi Code of 1972, is  
306 amended as follows:

307 43-33-751. The directors shall comply with the provisions of  
308 Section 25-4-101 et seq.

309 SECTION 4. Section 43-33-711, Mississippi Code of 1972, is  
310 amended as follows:

311 43-33-711. (1) The board of directors may create one or  
312 more committees of the board and appoint members of the board to  
313 serve on them. Each committee shall have two (2) or more  
314 directors who serve at the pleasure of the board.

315 (2) The creation of a committee and appointment of directors  
316 to it must be approved by a majority of all directors in office  
317 when the action is taken.

318 (3) Sections of this article which govern meetings, action  
319 without meetings, notice and waiver of notice, and quorum and  
320 voting requirements of the board, apply to committees of the board  
321 and their members as well.

322 \* \* \*

323 SECTION 5. This act shall take effect and be in force from  
324 and after its passage.