AN ACT TO CREATE A NEW CODE SECTION THAT AUTHORIZES GOVERNING
AUTHORITIES OF MUNICIPALITIES TO ESTABLISH AN EMPLOYER-ASSISTED
HOUSING PROGRAM TO ASSIST EMPLOYEES WHEN PURCHASING A HOME WITHIN
THE BOUNDARIES OF THE MUNICIPALITY; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) There is established the Mississippi
Employer-Assisted Housing Program for Municipal Employees, which
shall be a special home loan program for eligible full-time
employees. The home loan program shall be administered by the
governing authorities of municipalities in conjunction with the
Federal National Mortgage Association (Fannie Mae). The governing
authorities may contract with one or more public or private
entities to provide assistance in implementing and administering
the program and shall adopt rules and regulations regarding the
implementation and administration of the program.

(2) Participation in the loan program shall be available to
any eligible municipal employee as determined by the governing
authorities of the municipality. Any person who receives a loan
under the program shall be required to purchase a house and reside
within the geographic boundaries as determined by the governing
authorities of the municipality. The maximum amount of a loan
that may be made under the program to any person shall be Six
Thousand Dollars ($6,000.00).

(3) Any loan made under the program to a municipal employee
shall be converted to an interest-free grant on the basis of one
year's employment for one-third (1/3) of the amount of the
loan. Any person who does not render three (3) years' service as
a municipal employee shall be liable to the municipality for
one-third (1/3) of the amount of the loan for each year that he is
not employed, plus interest accruing at the current interest rate
at the time the person discontinues his employment. If a claim
for repayment under this subsection is placed in the hands of an
attorney for collection, the obligor shall be liable for an
additional amount equal to a reasonable attorney's fee.

(4) All funds received by the governing authorities of the
municipality as repayment of loans by program participants shall
be deposited in the Mississippi Employer-Assisted Housing Program
for Municipal Employees Fund.

SECTION 2. Section 1 of this act shall be codified in Title
21, Chapter 17, of the Mississippi Code of 1972.

SECTION 3. This act shall take effect and be in force from
and after July 1, 2001.