

By: Representatives Palazzo, Zuber

To: Ways and Means

HOUSE BILL NO. 1304

1 AN ACT TO AMEND SECTION 43-33-717, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THAT THE MISSISSIPPI HOME CORPORATION GIVE A PREFERENCE
3 TO LOCAL HOUSING AUTHORITIES AND REGIONAL HOUSING AUTHORITIES
4 LOCATED IN THE FOURTH CONGRESSIONAL DISTRICT OF THE STATE WHEN
5 ALLOCATING TAX CREDITS TO LOCAL HOUSING AUTHORIITIES AND REGIONAL
6 HOUSING AUTHORITIES IN THIS STATE; TO PROVIDE THAT THE PREFERENCE
7 REQUIRED IN THIS ACT MUST IMPROVE THE COMPETITIVENESS OF SUCH
8 HOUSING AUTHORITIES BY FIVE PERCENT WHEN COMPARED TO LOCAL HOUSING
9 AUTHORITIES AND REGIONAL HOUSING AUTHORITIES LOCATED OUTSIDE THE
10 FOURTH CONGRESSIONAL DISTRICT OF THE STATE; TO PROVIDE THAT THE
11 PURPOSE OF THE PREFERENCE REQUIRED IN THIS ACT IS TO ASSIST IN
12 ADDRESSING THE CHANGES IN POPULATIONS AND DEMOGRAPHICS THAT HAVE
13 OCCURRED AS A RESULT OF HURRICANE KATRINA; AND FOR RELATED
14 PURPOSES.

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

16 **SECTION 1.** Section 43-33-717, Mississippi Code of 1972, is
17 amended as follows:

18 43-33-717. (1) The corporation shall have all the powers
19 necessary or convenient to carry out and effectuate the purposes
20 and provisions of this article, including, but without limiting
21 the generality of the foregoing, the power:

22 (a) To make and alter bylaws for its organization and
23 internal management;

24 (b) To sue and be sued, have a seal and alter the same
25 at pleasure, and maintain an office at such place or places in the
26 state as it may determine;

27 (c) To appoint officers, agents and employees,
28 prescribe their duties and qualifications, and fix their
29 compensation;

30 (d) To acquire real or personal property, or any
31 interest therein, by purchase, exchange, gift, assignment,
32 transfer, foreclosure, lease, condemnation or otherwise, including
33 rights or easements; to hold, manage, operate or improve real or

34 personal property; to sell, assign, exchange, lease, encumber,
35 mortgage or otherwise dispose of any real or personal property, or
36 any interest therein, or deed of trust or mortgage lien interest
37 owned by it or under its control, custody or in its possession and
38 release or relinquish any right, title, claim, lien, interest,
39 easement or demand however acquired, including any equity or right
40 of redemption in property foreclosed by it and to do any of the
41 foregoing by public sale;

42 (e) To make and execute agreements, contracts and other
43 instruments necessary or convenient to the exercise of the powers
44 and functions of the corporation under this article;

45 (f) To employ or contract with architects, engineers,
46 attorneys, accountants, financial experts and other advisors as
47 may be necessary in its judgment and to fix and pay their
48 compensation;

49 (g) To make and execute contracts for the
50 administration, servicing or collection of any mortgage loan and
51 pay the reasonable value of services rendered to the corporation
52 pursuant to such contracts;

53 (h) To contract for the employment of a financial
54 advisor, underwriting attorneys, trustees, paying agents,
55 depositories or any consultants retained in connection with the
56 issuance of any bonds or notes including refunding bonds or notes
57 or dealing with the disposition of any proceeds thereof;

58 (i) To issue negotiable bonds and notes and to provide
59 for the rights of the holders thereof;

60 (j) Subject to any agreement with bondholders or
61 noteholders, to sell any mortgage loans at public or private sale
62 at the fair market value for such a mortgage; and

63 (k) Subject to any agreement with bondholders and
64 noteholders, to make, alter or repeal such rules and regulations
65 with respect to the operations, properties and facilities of the

66 corporation as are necessary to carry out its functions and duties
67 in the administration of this article.

68 (2) The corporation shall also have the power:

69 (a) To make loans to mortgage lenders for the purpose
70 of:

71 (i) Making housing development mortgage loans to
72 qualified sponsors for low and moderate income rental or
73 residential housing;

74 (ii) Making loans to low and moderate income
75 purchasers of residential housing with preference to those who are
76 displaced from adequate housing as a result of a major disaster,
77 whether it be a man-made, technological or natural disaster, upon
78 a declaration by the Governor that a major disaster exists in the
79 state;

80 (b) To purchase from mortgage lenders any of the loans
81 enumerated in subparagraphs (i) and (ii);

82 (c) To insure, reinsure or guarantee any of the types
83 of loans enumerated in subparagraphs (i) and (ii);

84 (d) To make, in such amounts and upon such terms and
85 conditions as the corporation shall approve, temporary loans,
86 preconstruction loans, interim financing loans to any qualified
87 sponsor and permanent financing to any qualified sponsor of
88 multifamily housing.

89 (3) The corporation shall also have the power to make loans
90 from funds not otherwise encumbered by pledge or indenture to low
91 and moderate income persons for the following purposes:

92 (a) Purchasing, improving or rehabilitating existing
93 residential housing and occupied by the owners;

94 (b) Making loans to qualified nonprofit sponsors, to
95 local housing authorities and to owners of residential housing for
96 the development, construction, purchase, rehabilitation,
97 weatherization or maintenance of residential housing.

98 (4) Using funds not otherwise encumbered by pledge or
99 indenture, the corporation may:

100 (a) Establish a rental assistance program;

101 (b) Provide such advisory consultation, training and
102 educational services as will assist in the planning, construction,
103 rehabilitation and operation of housing, including but not limited
104 to, assistance in community development and organization, home
105 management and advisory services for residents, and in promotion
106 of community organizations and local governments to assist in
107 developing housing;

108 (c) Encourage research and demonstration projects to
109 develop new and better methods for increasing the supply, types
110 and financing of housing and to receive and accept contributions,
111 grants or aid from any source, public or private, including but
112 not limited to the United States and this state, for carrying out
113 this purpose;

114 (d) Encourage and stimulate cooperatives and other
115 forms of housing with tenant participation;

116 (e) Promote innovative programs for home ownership,
117 including but not limited to lease-purchase programs,
118 employer-sponsored housing programs, tenant cooperatives and
119 nonprofit associations;

120 (f) Design and support programs to address special
121 needs groups including, but not limited to, handicapped, disabled,
122 elderly, homeless, HIV/AIDS carriers and families with children;

123 (g) Develop a comprehensive plan for, and engage in a
124 yearly planning process for, addressing the housing needs of low
125 and moderate income persons in Mississippi.

126 (5) The corporation also has the power:

127 (a) To procure, or require the procurement of,
128 insurance against any loss in connection with its operations,
129 including without limitation the repayment of any mortgage loan or
130 loans, in such amounts and from such insurers, including the

131 federal government, as it may deem necessary or desirable, and to
132 pay any premiums therefor;

133 (b) Subject to any agreement with bondholders or
134 noteholders: (i) to renegotiate any loan in default; (ii) to
135 waive any default or consent to the modification of the terms of
136 any loan or agreement; (iii) to commence, prosecute and enforce a
137 judgment in any action or proceeding, including without limitation
138 a foreclosure proceeding, to protect or enforce any right
139 conferred upon it by law, mortgage loan agreement, contract or
140 other agreement; and in connection with any such proceeding, to
141 bid for and purchase the property or acquire or take possession
142 thereof and, in such event, complete, administer and pay the
143 principal of and interest on any obligations incurred in
144 connection with such property and dispose of and otherwise deal
145 with such property in such manner as the corporation may deem
146 advisable to protect its interest therein;

147 (c) To fix, revise, charge and collect fees and other
148 charges in connection with the making of loans, the purchasing of
149 mortgage loans, and any other services rendered by the
150 corporation;

151 (d) To arrange for guarantees of its bonds, notes or
152 other obligations by the federal government or by any private
153 insurer and to pay any premiums therefor;

154 (e) Notwithstanding any law to the contrary, but
155 subject to any agreement with bondholders or noteholders, to
156 invest money of the corporation not required for immediate use,
157 including proceeds from the sale of any bonds or notes;

158 (i) In obligations of any municipality or the
159 state or the United States of America;

160 (ii) In obligations the principal and interest of
161 which are guaranteed by the state or the United States of America;

162 (iii) In obligations of any corporation wholly
163 owned by the United States of America;

164 (iv) In obligations of any corporation sponsored
165 by the United States of America which are, or may become, eligible
166 as collateral for advances to member banks as determined by the
167 Board of Governors of the Federal Reserve System;

168 (v) In obligations of insurance firms or other
169 corporations whose investments are rated "A" or better by
170 recognized rating companies;

171 (vi) In certificates of deposit or time deposits
172 of qualified depositories of the state as approved by the State
173 Depository Commission, secured in such manner, if any, as the
174 corporation shall determine;

175 (vii) In contracts for the purchase and sale of
176 obligations of the type specified in items (i) through (v) above;

177 (viii) In repurchase agreements secured by
178 obligations specified in items (i) through (v) above;

179 (ix) In money market funds, the assets of which
180 are required to be invested in obligations specified in items (i)
181 through (vi) above;

182 (f) Subject to any agreement with bondholders or
183 noteholders, to purchase, and to agree to purchase, bonds or notes
184 of the corporation at a price not exceeding: (i) if the bonds or
185 notes are then redeemable, the redemption price then applicable
186 plus accrued interest to the date of purchase; or (ii) if the
187 bonds or notes are not then redeemable, the redemption price
188 applicable on the first date after such purchase upon which the
189 notes or bonds become subject to redemption at the option of the
190 corporation plus accrued interest to the date of purchase;

191 (g) Subject to the provisions of this article, to
192 contract for and to accept any gifts, grants or loans of funds or
193 property or financial or other aid in any form from federal, state
194 or local governments, private or public entities, or individuals;

195 (h) To enter into agreements or other transactions with
196 the federal or state government, any agency thereof or any

197 municipality in furtherance of the purposes of this article; to
198 operate and administer loan programs of the federal government,
199 the State of Mississippi, or any governmental agency thereof; and
200 to operate and administer any program of housing assistance for
201 persons and families of low or moderate income, however funded;

202 (i) To establish a benevolent loan fund, housing
203 development fund, or such additional and further funds as may be
204 necessary and desirable to accomplish any corporate purpose or to
205 comply with the provisions of any agreement made by the
206 corporation or any resolution approved by the corporation. The
207 resolution establishing such a fund shall specify the source of
208 monies from which it shall be funded and the purposes for which
209 monies held in the fund shall be disbursed;

210 (j) In carrying out the provisions of this article, the
211 corporation shall cooperate with the housing authorities created
212 under Sections 43-33-1 through 43-33-69 and Sections 43-33-101
213 through 43-33-137, Mississippi Code of 1972;

214 (k) To accept letters of credit and other credit
215 facilities necessary to make loans authorized herein to repay
216 bonds or notes issued by the corporation;

217 (l) In allocating tax credits to local housing
218 authorities and regional housing authorities, the corporation
219 shall give a preference to such housing authorities located in the
220 Fourth Congressional District of the state. The corporation shall
221 establish a formula for granting the preference required in this
222 paragraph (l) which must improve the competitiveness of such
223 housing authorities by five percent (5%) when compared to local
224 housing authorities and regional housing authorities located
225 outside the Fourth Congressional District of the state. The
226 purpose of the preference required in this paragraph (l) is to
227 assist in addressing the changes in populations and demographics
228 that have occurred in the Fourth Congressional District as a
229 result of Hurricane Katrina.

230 (m) To do any and all things necessary or convenient to
231 carry out its purposes and exercise the powers given and granted
232 in this article.

233 **SECTION 2.** This act shall take effect and be in force from
234 and after its passage.