

NORTH CAROLINA GENERAL ASSEMBLY
1975 SESSION

CHAPTER 616
SENATE BILL 728

AN ACT TO AMEND G.S. 122A-5(1), G.S. 122A-5(3) AND G.S. 122A-5.1(c), SUCH SECTIONS BEING A PART OF THE NORTH CAROLINA HOUSING FINANCE AGENCY ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 122A-5(1) is amended by striking out "Section 23" and inserting in lieu thereof "Section 8".

Sec. 2. G.S. 122A-5(3) is rewritten to read as follows:

- "(3) To purchase or participate in the purchase and enter into commitments by itself or together with others for
- (a) the purchase of mortgage loans made by mortgage lenders to sponsors of residential housing or to persons of lower income for residential housing where the agency has given its approval prior to the initial making of the mortgage loan; provided, however, that any such purchase shall be made only upon the determination by the agency that mortgage loans were, at the time the approval was given, not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions, or
 - (b) the purchase of mortgage loans made by mortgage lenders without such prior approval to sponsors of housing for persons and families of any income or to persons of any income for housing upon such terms and conditions requiring the proceeds thereof to be used by such mortgage lenders for the making of new mortgage loans to sponsors of residential housing or to persons of lower income for residential housing as the agency may prescribe by its rules and regulations; provided, however, that (i) any such purchase of existing mortgage loans shall be made only upon the determination by the agency that such new mortgage loans are not otherwise available from private lenders upon reasonably equivalent terms and conditions, and (ii) the agency shall purchase mortgage loans made to sponsors of housing for persons and families not of lower income or to persons not of lower income for housing only upon the determination by the agency that mortgage loans made to sponsors of residential housing or to persons of lower income for residential housing are not available for purchase by the agency upon reasonable terms and conditions."

Sec. 3. G.S. 122A-5.1(c) is rewritten to read as follows:

"(c) The agency shall require as a condition of the purchase of federally insured securities from a mortgage lender and the purchase or the making of a commitment to purchase mortgage loans from a mortgage lender where the agency has not given its approval prior to the initial making of the mortgage loan that such mortgage lender shall on or prior to the 180th day (or such earlier day as may be prescribed by rules and regulations of the agency) following the

receipt of the sale proceeds have entered into written commitments to make, and shall thereafter proceed as promptly as practicable to make from such sale proceeds, new mortgage loans with respect to residential housing in the State having a stated maturity of not less than 20 years from the date thereof in an aggregate principal amount equal to the amount of such sale proceeds. The agency shall not purchase nor make commitment to purchase mortgage loans, federally insured securities or other obligations from a mortgage lender from which it has previously purchased federally insured securities or mortgage loans initially made without such prior approval unless said mortgage lender has either made or entered into written commitments to make such new mortgage loans."

Sec. 4. This act shall become effective upon its ratification.

In the General Assembly read three times and ratified, this the 16th day of June, 1975.