1999 SENATE BILL 251

October 13, 1999 – Introduced by Senators MOORE, FARROW, PLACHE, ERPENBACH and DARLING, cosponsored by Representatives SYKORA, MORRIS-TATUM, TURNER, PLALE, SCHOOFF, YOUNG, COGGS, RICHARDS, RILEY, HASENOHRL, LA FAVE, HUBER, MILLER, BERCEAU, LASSA, SERATTI, OLSEN, MUSSER, STONE, M. LEHMAN, SPILLNER, OWENS, UNDERHEIM and GOETSCH, by request of Wisconsin Housing and Economic Development Authority. Referred to Committee on Economic Development, Housing and Government Operations.

1   AN ACT *to amend* 234.59 (3) (a) of the statutes; **relating to:** property appraisals

2   for homeownership mortgage loans.

Analysis by the Legislative Reference Bureau

The Wisconsin Housing and Economic Development Authority (WHEDA) administers a homeownership mortgage loan program. Under the program, WHEDA contracts with authorized lenders to make or service loans to persons with incomes below a certain level for the construction, long-term financing or rehabilitation of residential property. WHEDA may insure or provide additional security for the loans. A loan may not exceed the lesser of 97% of the purchase price of the property or 97% of the appraised value of the property. Under the bill, a loan may not exceed 97% of the purchase price of the property, thus removing the requirement that the property be appraised.

Because this bill directly or substantially affects the development, construction, cost or availability of housing in this state, the department of administration, as required by law, will prepare a report to be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3   SECTION 1. 234.59 (3) (a) of the statutes is amended to read:

1999 – 2000 Legislature   – 2 –   LRB–3432/1
PJK:jlg:km
SENATE BILL 251   SECTION 1

1   234.59 **(3)** (a) The amount of a homeownership mortgage loan may not exceed

2   ~~the lesser of~~ 97% of the purchase price ~~or 97% of the appraised value~~ of the eligible

3   property.

4   **SECTION 2. Initial applicability.**

5   (1) This act first applies to homeownership mortgage loans made on the

6   effective date of this subsection.

7   **(END)**