

2009 DRAFTING REQUEST

Bill

Received: **02/10/2009**

Received By: **tkuczens**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Weidner**

This file may be shown to any legislator: **NO**

Drafter: **tkuczens**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - housing**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Weidner, BAB -

Topic:

WHEDA Loan Loss Reserve appropriation

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tkuczens 02/10/2009	nmatzke 02/10/2009		_____			State Housing
/P1	tkuczens 02/11/2009	nmatzke 02/11/2009	chanaman 02/11/2009	_____			State Housing
/P2	tkuczens 02/12/2009	nmatzke 02/12/2009	mduchek 02/11/2009	_____	cduerst 02/11/2009		State Housing
/P3			mduchek 02/12/2009	_____	lparisi 02/12/2009		

FE Sent For:

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/?	tkuczens 02/10/2009	nnatzke 02/10/2009		_____			State Housing
/P1	tkuczens 02/11/2009	nnatzke 02/11/2009	chanaman	_____			State Housing
/P2		<i>/P3 nwn 2/12</i>	mduchek	_____	cduerst 02/11/2009		

FE Sent For:

MJ
MJ#
<END>
2/10

2009 DRAFTING REQUEST

Bill

Received: **02/10/2009**

Received By: **tkuczens**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Weidner**

This file may be shown to any legislator: **NO**

Drafter: **tkuczens**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - housing**

Extra Copies:

Submit via email: **NO**

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DOA:.....Weidner, BAB -

Topic:

WHEDA Loan Loss Reserve appropriation

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tkuczens	/PI ^{nyn} 2/10	ND	ND PH			

FE Sent For:

2/10
<END>

Kuczenski, Tracy

From: Weidner, Jenna M - DOA [Jenna.Weidner@wisconsin.gov]
Sent: Tuesday, February 10, 2009 11:12 AM
To: Kuczenski, Tracy
Cc: Hanaman, Cathlene; Pawasarat, Jane - DOA; Kraus, Jennifer - DOA; Beadles, Kathleen - DOA
Subject: New draft for BAB, RE: WHEDA Reserve
Importance: High
Attachments: Loan Loss Reserve WHEDA Request.doc

Tracy,
I'm assuming this draft would be in your area too. Please let me know if that is not the case. We need language in the budget adjustment bill providing \$2M in one time funding to WHEDA to support a loan loss reserve program. Any uncommitted funds would lapse back to the general fund on July 1, 2009. I think this could be achieved by creating an annual GPR appropriation under s. 20.490 with \$2M base authority. Do you think that would work? As for the details of the loan loss reserve program, we'd prefer to leave it as broad and undefined as possible.
Thanks,
Jenna

Jenna Weidner
Executive Policy and Budget Analyst
Wisconsin State Budget Office, DOA-DEBF
101 East Wilson Street
Madison, WI 53702
(608)266-7329
jenna.weidner@wisconsin.gov

1/10/09 noon per Jenna - \$ 4 mil not \$ 2 mil.

am. 234.04(3) to inc. ref.

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Loan Loss Reserve
- Tracking Code:
- SBO team: General Government and Economic Development
- SBO analyst: Jenna Weidner
 - Phone: x 6-7329
 - Email: jenna.weidner@wisconsin.gov
- Agency acronym: WHEDA
- Agency number: 490
- Priority (Low, Medium, High): High

Intent: Provide \$2 million in one time funding to WHEDA to support a loan loss reserve program. Any uncommitted funds would lapse back to the general fund on July 1, 2009.

This could probably be achieved by creating an annual GPR appropriation under s. 20.490 with \$2 million base authority.



State of Wisconsin
2009 - 2010 LEGISLATURE

PI
LRB-2064/2

TKK:.....
d-note
nwn insert
RMNR

DOA:.....Weidner, BAB - WHEDA Loan Loss Reserve appropriation

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

2/10/09

SA ✓
X-ref ✓

1 AN ACT ^{don't gen.} ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

This bill establishes a homeownership mortgage loan refinancing loan loss reserve program under the authority of WHEDA. Under the program, WHEDA may enter into agreements with lenders to encourage the lenders to refinance homeownership mortgage loans of persons or families of low to moderate income. The bill appropriates \$4,000,000 in GPR in the 2008-09 fiscal year to WHEDA to operate the program.

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

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

INSERT Schedule

2 SECTION 1. 20.490 (3) of the statutes is created to read:

1 20.490 (3) HOMEOWNERSHIP MORTGAGE ASSISTANCE. (a) *Homeownership*
2 *mortgage loan refinancing; loan loss reserve program.* The amounts in the schedule
3 to operate the homeownership mortgage loans² refinancing loan loss reserve program
4 under s. 234.605. ✓

5 **SECTION 2.** 234.04 (3) of the statutes is amended to read:

6 234.04 (3) The authority may make or participate in the making and enter into
7 commitments for the making of loans to any banking institution, savings bank,
8 savings and loan association³ or credit union organized under the laws of this or any
9 other state or of the United States having an office in this state, and may enter into
10 agreements with any banking institution, savings bank, savings and loan
11 association¹ or credit union organized under the laws of this or any other state or of
12 the United States having an office in this state² regarding the refinancing of
13 homeownership mortgage loans, if the authority first determines that the proceeds
14 of such loans will be utilized for the purpose of making long-term mortgage loans to
15 persons or families of low and moderate income, or for the purpose of providing
16 residential housing for occupancy by persons or families of low and moderate income,
17 or for the purpose of making housing rehabilitation loans, or that the refinancing of
18 such homeownership mortgage loans will be on behalf of persons or families of low
19 and moderate income. ✓

History: 1971 c. 287; 1975 c. 221; 1977 c. 418; 1979 c. 361 s. 113; 1981 c. 349; 1985 a. 29; 1987 a. 27, 359; 1991 a. 221; 1995 a. 404; 1999 a. 9.

20 **SECTION 3.** 234.265 (2) of the statutes is amended to read:

21 234.265 (2) Records or portions of records consisting of personal or financial
22 information provided by a person seeking a grant or loan under s. 234.04, 234.08,
23 234.49, 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905,
24 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial

1 assistance under s. 234.66, 2005 stats., seeking homeownership mortgage loan
2 refinancing from a lender under s. 234.605, seeking investment of funds under s.
3 234.03 (18m), or in which the authority has invested funds under s. 234.03 (18m),
4 unless the person consents to disclosure of the information.

History: 1971 c. 287; 1983 a. 81, 83, 192; 1985 a. 29, 334; 1987 a. 421; 1989 a. 31, 335, 336, 359; 1991 a. 39, 309; 1993 a. 16, 437; 1995 a. 116, 150; 1997 a. 27, 35; 1999 a. 9; 2005 a. 75, 487; 2007 a. 125.

5 SECTION 4. 234.605 of the statutes is created to read:

6 **234.605 Homeownership mortgage loan refinancing; loan loss reserve**

7 **program.** (1) In this section, "lender" means any banking institution, savings bank,
8 savings and loan association ^{or} credit union organized under the laws of this or any
9 other state or of the United States having an office in this state.

10 (2) The authority shall establish and administer a homeownership mortgage
11 loan refinancing loan loss reserve program to encourage the refinancing of
12 homeownership mortgage loans by lenders in order to facilitate the retention of
13 eligible property by persons and families of low to moderate income.

14 (3)(a) Except as provided in par. (b), to implement the program, the authority
15 may enter into agreements with lenders regarding the refinancing of a
16 homeownership mortgage loan on a mortgage given by an applicant if the authority
17 first determines all of the following:

18 1. ^{The} No lender will ^{not} refinance the homeownership mortgage loan in the absence
19 of an agreement with the authority.

20 2. The income of the applicant does not exceed the applicable level specified
21 under 26 USC 143 (f).

22 (b) The authority may not enter into an agreement with a lender under this
23 section if the applicant's name appears on the statewide support lien docket under
24 s. 49.854 (2) (b), unless the applicant provides to the authority a payment agreement

1 that has been approved by the county child support agency under s. 59.53 (5) and that
2 is consistent with rules promulgated under s. 49.858 (2) (a).

3 (END)

D-note

2005 2007

LRB 2064 / PI

File With Statute 20.005 (3) Schedule

TKK : : :

\$\$\$ SCHEDULE

In the component bar:

For the action phrase, execute: create → action: → ch20

For the table layout, execute: create → <Table> → \$sched

SECTION #. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

	2007-08	2008-09
	2005-06	2006-07

20. 490 ^(B) Wisconsin Housing and Economic Development Authority

(3) ^(CS) HOMEOWNERSHIP MORTGAGE ASSISTANCE

(a) Homeownership mortgage loan refinancing; loan loss reserve program

GPR A -0- 4,000,000

20. _____

() _____

() _____

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2064/2008-PI

TKK: j....

nwn

Date

Jenna:

Do you want to direct WHEDA to fund the homeownership mortgage loan refinancing loan loss reserve program established under this bill with moneys from any other source at the end of FY 2008-09? ✓

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-9867
E-mail: tracy.kuczenski@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

P2
LRB-2064/PT

TKK:nwn:ph

NO DNOTE

inserts

DOA:.....Weidner, BAB - WHEDA Loan Loss Reserve appropriation

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

2/11/09

INSERT ANALYSIS 1

1

AN ACT ^{don't gen.} ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

This bill establishes a homeownership mortgage loan refinancing loan loss reserve program under the authority of WHEDA. Under the program, WHEDA may enter into agreements with lenders to encourage the lenders to refinance homeownership mortgage loans of persons or families of low to moderate income. The bill appropriates \$4,000,000 in GPR in the 2008-09 fiscal year to WHEDA to operate the program. ^{a total of}

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

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert

3

the following amounts for the purposes indicated:

Homeowner
Eviction and
Lien Protection

Insert Anal. 2

Insert Anal. 3

who are not able to obtain refinancing in the absence of an agreement

2007-08 2008-09

20.490 Wisconsin Housing and Economic
Development Authority

(3) HOMEOWNERSHIP MORTGAGE ASSISTANCE

(a) Homeownership mortgage loan
refinancing; loan loss reserve

*Homeowner eviction and
lien protection*

→ program

GPR

(A) ^C

-0- 4,000,000

SECTION 2. 20.490 (3) of the statutes is created to read:

20.490 (3) HOMEOWNERSHIP MORTGAGE ASSISTANCE. (a) Homeownership
eviction and lien protection
mortgage loan refinancing; loan loss reserve program. *As a continuing appropriation,*
The amounts in the schedule
to operate the homeownership mortgage loans refinancing loan loss reserve program
under s. 234.605. *eviction and lien protection*

SECTION 3. 234.04 (3) of the statutes is amended to read:

234.04 (3) The authority may make or participate in the making and enter into
commitments for the making of loans to any banking institution, savings bank,
savings and loan association, or credit union organized under the laws of this or any
other state or of the United States having an office in this state, and may enter into
agreements with any banking institution, savings bank, savings and loan
association, or credit union organized under the laws of this or any other state or of
the United States having an office in this state regarding the refinancing of
homeownership mortgage loans *as defined in s. 234.605(1)(c)* if the authority first determines that the proceeds
of such loans will be utilized for the purpose of making long-term mortgage loans to
persons or families of low and moderate income, or for the purpose of providing
residential housing for occupancy by persons or families of low and moderate income,

Insert 2-B

1 or for the purpose of making housing rehabilitation loans, or that the refinancing of
 2 such homeownership mortgage loan will be on behalf of persons or families of low and
 3 moderate income.

INSERT 3-4

SECTION 4. 234.265 (2) of the statutes is amended to read:

5 234.265 (2) Records or portions of records consisting of personal or financial
 6 information provided by a person seeking a grant or loan under s. 234.04, 234.08,
 7 234.49, 234.59, ^{234.605} 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905,
 8 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial
 9 assistance under s. 234.66, 2005 stats., seeking homeownership mortgage loan
 10 refinancing from a lender under s. 234.605, seeking investment of funds under s.
 11 234.03 (18m), or in which the authority has invested funds under s. 234.03 (18m),
 12 unless the person consents to disclosure of the information.

SECTION 5. 234.605 of the statutes is created to read:

234.605 Homeownership mortgage loan refinancing; loan loss reserve

14 **program.** (1) In this section, ^{eviction and lien protection} "lender" means any banking institution, savings bank,
 15 savings and loan association, or credit union organized under the laws of this or any
 16 other state or of the United States having an office in this state.

INSERT 3-18

17 (2) ^{Subject to the approval of all members of the authority;} The authority ^{it may} shall establish and administer a homeownership mortgage
 18 loan refinancing loan loss reserve program to encourage the refinancing of
 19 homeownership mortgage loans by lenders in order to facilitate the retention of
 20 eligible property by persons and families of low to moderate income.
 21

eviction and lien protection

22 (3) (a) Except as provided in par. (b), to implement the program, the authority
 23 may enter into agreements with lenders regarding the refinancing of a
 24 homeownership mortgage loan on a mortgage given by an applicant if the authority
 25 first determines all of the following:

and may make or participate in the making and enter into commitments for the making of loans to refinance a mortgage loan

INSERT
4-1
①

22
①

1. The lender will not refinance the homeownership mortgage loan in the absence of an agreement with the authority.

2. The income of the applicant does not exceed the applicable level specified under 26 USC 143 (f).

(b) The authority may not enter into an agreement with a lender under this section if the applicant's name appears on the statewide support lien docket under s. 49.854 (2) (b), unless the applicant provides to the authority a payment agreement that has been approved by the county child support agency under s. 59.53 (5) and that is consistent with rules promulgated under s. 49.858 (2) (a).

Insert 4-10

10

(END)

1 **INSERT ANALYSIS 2**

A mortgage loan is defined as a loan secured by a first lien real estate mortgage on a single-family dwelling that is used as the principal residence of the applicant. Under the bill, WHEDA may also make and participate in making loans to refinance mortgage loans.

2 **INSERT ANALYSIS 3**

The bill requires WHEDA to make quarterly reports to the Joint Committee on Finance, and authorizes the cochairpersons of the Joint Committee on Finance to convene a meeting at any time to review or dissolve the program.

3 **INSERT 2-13**

4 ^{not} Notwithstanding s. 20.001 (3) (c), at the close of fiscal year 2009-10, the
5 unencumbered balance of this appropriation account shall lapse to the general fund.

6 **SECTION 1.** 234.04 (2) of the statutes is amended to read:

7 234.04 (2) The authority may make or participate in the making and enter into
8 commitments for the making of long-term mortgage loans to eligible sponsors of
9 housing projects for occupancy by persons and families of low and moderate income,
10 or for the making of homeownership mortgage loans or housing rehabilitation loans
11 to persons and families of low and moderate income, an applicant under s. 234.59 or
12 other eligible beneficiaries as defined in s. 234.49, or loans for the refinancing of
13 mortgage loans under s. 234.605. The loans may be made only upon the
14 determination by the authority that they are not otherwise available from private
15 lenders upon reasonably equivalent terms and conditions. The authority may not
16 make a loan to a person whose name appears on the statewide support lien docket
17 under s. 49.854 (2) (b), unless the person provides to the authority a payment
18 agreement that has been approved by the county child support agency under s. 59.53
19 (5) and that is consistent with rules promulgated under s. 49.858 (2) (a). The

1 authority may employ, for such compensation as it determines, the services of any
2 financial institution in connection with any loan.

History: 1971 c. 287; 1975 c. 221; 1977 c. 418; 1979 c. 361 s. 113; 1981 c. 349; 1985 a. 29; 1987 a. 27, 359; 1991 a. 221; 1995 a. 404; 1999 a. 9.

3 **INSERT 3-15**

4 (a) "Eligible property" has the meaning given in s. 234.59 (1) (d) 1. ✓

5 (b)

6 **INSERT 3-18**

7 **SECTION 2.** 234.605 (1) (c) of the statutes is created to read:

8 **234.605 (1)**(c) "Mortgage loan" means a loan secured by a first lien real estate
9 mortgage on the eligible property of an applicant. ✓

10 **INSERT 4-1**

11 1. The applicant has made a reasonable effort to refinance the mortgage loan
12 with the existing ^{lender or} loan servicer or with an organization approved by the authority, but
13 the applicant has been unsuccessful in his or her effort. ✓

✓ The authority shall designate and maintain a current list of organizations approved under this subdivision. ✓

14 **INSERT 4-10**

15 (4) The authority shall submit a quarterly report to the joint committee on
16 finance. The report shall summarize the progress and performance of the program
17 established under this section. ✓ The cochairpersons of the joint committee on finance
18 may convene a meeting of the committee at any time to review or dissolve the
19 program established under this section. ✓

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2064/Plins
TKK:nwn:ph

1
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4
5
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7
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10

INSERT 3-4
^

SECTION 1. 234.03 (13g) of the statutes is created to read:

234.03 (13g) To make or participate in the making and enter into commitments for the making of loans for the refinancing of mortgage loans under s. 234.605[✓] and to enter into agreements with any banking institution, savings bank, savings and loan association, or credit union organized under the laws of this or any other state or of the United States having an office in this state regarding the refinancing of mortgage loans under s. 234.605.[✓]

INSERT ANAL-1

2009 - 2010 LEGISLATURE

LRB-1899/P5

TKK:cjs:md

DOA:.....Weidner, BAB0031 - Authorize WHEDA to refinance certain eligible mortgages

FOR 2009-11 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Under current law, the Wisconsin Housing and Economic Development Authority (WHEDA) makes and participates in making homeownership mortgage loans on behalf of qualified, low-income applicants. A homeownership mortgage loan is defined as a loan to finance the construction, long-term financing, or qualified rehabilitation of a residential structure or dwelling unit that is the principle residence of the applicant. WHEDA may issue bonds or notes to fund homeownership mortgage loans, but homeownership mortgage loans may not be made to finance the acquisition or replacement of an applicant's existing mortgage.

This bill authorizes WHEDA to issue bonds for and to make and participate in the making of loans for the refinancing of qualified subprime loans. A qualified subprime loan is defined as an adjustable rate single-family residential mortgage loan made after December 31, 2001 and before January 1, 2008. The bill directs the secretary of administration to determine the date after which no bonds or notes may be issued by WHEDA to refinance subprime loans.

Because this bill directly or substantially affects the development, construction, cost or availability of housing in this state, the Department of

Kuczenski, Tracy

From: Weidner, Jenna M - DOA [Jenna.Weidner@wisconsin.gov]
Sent: Tuesday, February 10, 2009 4:56 PM
To: Kuczenski, Tracy
Cc: Hanaman, Cathlene; Kraus, Jennifer - DOA; Pawasarat, Jane - DOA
Subject: RE: HELP program at WHEDA
Importance: High

joint committee

Also, they want to change the lapse date from July 1, 2009 to July 1, 2010 and add reporting requirements, like so: Specify that WHEDA submit quarterly reports to the Joint Committee on Finance describing the program's performance. The co-chairs may convene a meeting of the Joint Committee on Finance at any time to dissolve the program. Any remaining funds not yet committed to a mortgage or the backing of a mortgage under this program would be lapsed to the general fund on July 1, 2010.

✓ This would mean that instead of an annual appropriation, we would need to create a continuing appropriation (amounts in the schedule) with language that lapsed the uncommitted funds back to the general fund at the end of FY10. Does that make sense?

Thanks again,
 Jenna

From: Weidner, Jenna M - DOA
Sent: Tuesday, February 10, 2009 4:30 PM
To: Kuczenski, Tracy - LEGIS
Cc: Hanaman, Cathlene - LEGIS; Kraus, Jennifer - DOA; Pawasarat, Jane - DOA
Subject: HELP program at WHEDA
Importance: High

Tracy,
 We received some additional information for this draft (below). Could you please incorporate it?
 Thanks so much,
 Jenna

✓ Provide \$4 million GPR to WHEDA to establish a loan loss reserve fund that will leverage private investment in a single-family residential first-mortgage refinancing program and/or that could be used to directly refinance single-family residential first mortgages.

Specify that WHEDA develop a plan for approval by the full WHEDA board which includes a requirement that participants must first seek to renegotiate their past-due loan either through their existing loan servicer or an organization approved by WHEDA.

Jenna Weidner
 Executive Policy and Budget Analyst
 Wisconsin State Budget Office, DOA-DEBF
 101 East Wilson Street
 Madison, WI 53702
 (608)266-7329
jenna.weidner@wisconsin.gov

*1/11/09**Per Jenna - Not to be limited to persons & families of low to moderate income.*

Kuczenski, Tracy

From: Weidner, Jenna M - DOA [Jenna.Weidner@wisconsin.gov]
Sent: Tuesday, February 10, 2009 4:10 PM
To: Kuczenski, Tracy
Cc: Pawasarat, Jane - DOA
Subject: WHEDA Loan Loss Reserve program
Importance: High

Hi Tracy,
Could you please name the WHEDA loan loss prevention program the Homeowner Eviction and Lien Prevention (HELP) program?
Thanks,
Jenna

Jenna Weidner
Executive Policy and Budget Analyst
Wisconsin State Budget Office, DOA-DEBF
101 East Wilson Street
Madison, WI 53702
(608)266-7329
jenna.weidner@wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-2064/P2

TKK:nwn:md

d-note

P3

DOA:.....Weidner, BAB - WHEDA Loan Loss Reserve appropriation

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

2/11/09

1

don't gen.
AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Under current law, the Wisconsin Housing and Economic Development Authority (WHEDA) makes and participates in making homeownership mortgage loans on behalf of qualified, low-income applicants. A homeownership mortgage loan is defined as a loan to finance the construction, long-term financing, or qualified rehabilitation of a residential structure or dwelling unit that is the principle residence of the applicant. Homeownership mortgage loans may not be made to finance the acquisition or replacement of an applicant's existing mortgage.

This bill establishes a Homeowner Eviction and Lien Protection program under the authority of WHEDA. Under the program, WHEDA may enter into agreements with lenders to encourage the lenders to refinance mortgage loans of persons or families who are not able to obtain refinancing in the absence of an agreement. *not*

NOTE
A mortgage loan is defined as a loan secured by a first lien real estate mortgage on a single-family dwelling that is used as the principal residence of the applicant.

Move sentence
~~Under the bill,~~ WHEDA may also make and participate in making loans to refinance mortgage loans. The bill appropriates a total of \$4,000,000 in GPR in the 2008-09 and 2009-10 fiscal years to WHEDA to operate the program.

The bill requires WHEDA to make quarterly reports to the Joint Committee on Finance, and authorizes the cochairpersons of the Joint Committee on Finance to convene a meeting at any time to review or dissolve the program.

*** NOTE *** This draft deletes treatment of s. 234.265(2) which now appears in LRB-1899/pl60

1 loan association, or credit union organized under the laws of this or any other state
2 or of the United States having an office in this state regarding the refinancing of
3 mortgage loans under s. 234.605.

4 **SECTION 4.** 234.265 (2) of the statutes is amended to read:

5 234.265 (2) Records or portions of records consisting of personal or financial
6 information provided by a person seeking a grant or loan under s. 234.04, 234.08,
7 234.49, 234.59, 234.605, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90,
8 234.905, 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking
9 financial assistance under s. 234.66, 2005 stats., seeking mortgage loan refinancing
10 from a lender under s. 234.605, seeking investment of funds under s. 234.03 (18m),
11 or in which the authority has invested funds under s. 234.03 (18m), unless the person
12 consents to disclosure of the information.

13 **SECTION 5.** 234.605 of the statutes is created to read:

14 **234.605 Homeowner eviction and lien protection program.** (1) In this
15 section:

16 (a) "Eligible property" has the meaning given in s. 234.59 (1) (d) 1.

17 (b) "Lender" means any banking institution, savings bank, savings and loan
18 association, or credit union organized under the laws of this or any other state or of
19 the United States having an office in this state.

20 (c) "Mortgage loan" means a loan secured by a first lien real estate mortgage
21 on the eligible property of an applicant.

22 (2) Subject to the approval of all members of the authority, the authority may
23 establish and administer a homeowner eviction and lien protection program to
24 encourage the refinancing of mortgage loans by lenders in order to facilitate the
25 retention of eligible property by persons and families.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

2064/P3dn
LRB-1942/P2dn
TKK:bjk:ph
nmn

February 6, 2009

change date

This draft reconciles ~~LRB-1942/P1~~ ^g ~~LRB-1899/P3~~ ^g ~~LRB-1992/1~~ and LRB-~~948/P1~~.
All of these drafts should continue to appear in the compiled bill.

LRB-1899/P5

2064/P2

Both

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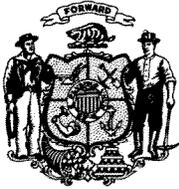
**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2064/P3dn
TKK:nwn:md

February 12, 2009

This draft reconciles LRB-1899/P5 and LRB-2064/P2. Both of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-2064/P3

TKK:nwn:md

DOA:.....Weidner, BAB - WHEDA Loan Loss Reserve appropriation

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Under current law, the Wisconsin Housing and Economic Development Authority (WHEDA) makes and participates in making homeownership mortgage loans on behalf of qualified, low-income applicants. A homeownership mortgage loan is defined as a loan to finance the construction, long-term financing, or qualified rehabilitation of a residential structure or dwelling unit that is the principle residence of the applicant. Homeownership mortgage loans may not be made to finance the acquisition or replacement of an applicant's existing mortgage.

This bill establishes a Homeowner Eviction and Lien Protection program under the authority of WHEDA. Under the program, WHEDA may enter into agreements with lenders to encourage the lenders to refinance mortgage loans of persons or families who are not able to obtain refinancing in the absence of an agreement. WHEDA may also make and participate in making loans to refinance mortgage loans. A mortgage loan is defined as a loan secured by a first lien real estate mortgage on a single-family dwelling that is used as the principal residence of the applicant. The bill appropriates a total of \$4,000,000 in GPR in the 2008-09 and 2009-10 fiscal years to WHEDA to operate the program.

The bill requires WHEDA to make quarterly reports to the Joint Committee on Finance, and authorizes the cochairpersons of the Joint Committee on Finance to convene a meeting at any time to review or dissolve the program.

1 loan association, or credit union organized under the laws of this or any other state
2 or of the United States having an office in this state regarding the refinancing of
3 mortgage loans under s. 234.605.

****NOTE: This draft deletes treatment of s. 234.265 (2), which now appears in
LRB-1899/P6.

4 **SECTION 4.** 234.605 of the statutes is created to read:

5 **234.605 Homeowner eviction and lien protection program. (1)** In this
6 section:

7 (a) "Eligible property" has the meaning given in s. 234.59 (1) (d) 1.

8 (b) "Lender" means any banking institution, savings bank, savings and loan
9 association, or credit union organized under the laws of this or any other state or of
10 the United States having an office in this state.

11 (c) "Mortgage loan" means a loan secured by a first lien real estate mortgage
12 on the eligible property of an applicant.

13 **(2)** Subject to the approval of all members of the authority, the authority may
14 establish and administer a homeowner eviction and lien protection program to
15 encourage the refinancing of mortgage loans by lenders in order to facilitate the
16 retention of eligible property by persons and families.

17 **(3)** (a) Except as provided in par. (b), to implement the program, the authority
18 may enter into agreements with lenders regarding the refinancing of a mortgage
19 loan and may make or participate in the making and enter into commitments for the
20 making of loans to refinance a mortgage loan if the authority first determines all of
21 the following:

22 1. The applicant has made a reasonable effort to refinance the mortgage loan
23 with the existing lender or loan servicer or with an organization approved by the

1 authority, but the applicant has been unsuccessful in his or her effort. The authority
2 shall designate and maintain a current list of organizations approved under this
3 subdivision.

4 2. The lender will not refinance the mortgage loan in the absence of an
5 agreement with the authority.

6 (b) The authority may not enter into an agreement with a lender under this
7 section if the applicant's name appears on the statewide support lien docket under
8 s. 49.854 (2) (b), unless the applicant provides to the authority a payment agreement
9 that has been approved by the county child support agency under s. 59.53 (5) and that
10 is consistent with rules promulgated under s. 49.858 (2) (a).

11 (4) The authority shall submit a quarterly report to the joint committee on
12 finance. The report shall summarize the progress and performance of the program
13 established under this section. The cochairpersons of the joint committee on finance
14 may convene a meeting of the committee at any time to review or dissolve the
15 program established under this section.

16 (END)