

1999 ASSEMBLY BILL 529

October 12, 1999 - Introduced by Representatives SYKORA, MORRIS-TATUM, BERCEAU, COGGS, GOETSCH, HASENOHRL, HUBER, LASSA, M. LEHMAN, LA FAVE, MILLER, MUSSER, OLSEN, PLALE, RICHARDS, RILEY, SCHOOFF, SERATTI, SPILLNER, OWENS, TURNER, UNDERHEIM, YOUNG and STONE, cosponsored by Senators MOORE, FARROW, DARLING, ERPENBACH and PLACHE. Referred to Committee on Housing.

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:

