

1999 DRAFTING REQUEST

Bill

Received: **08/23/1999**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Tom Sykora (608) 266-1194**

By/Representing: **Sara Jermstad**

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

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Econ. Development - housing**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Eliminating the requirement of appraisals for WHEDA home loan program

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>
/?	kahlepj 08/25/1999	kgeller 08/26/1999		_____			Housing
/1			martykr 08/26/1999	_____	lrb_docadmin 08/26/1999	lrb_docadmin 09/08/1999	

FE Sent For:

<END>

1999 DRAFTING REQUEST

Bill

Received: 08/23/1999

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Tom Sykora (608) 266-1194

By/Representing: Sara Jermstad

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Econ. Development - housing

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Eliminating the requirement of appraisals for WHEDA home loan program

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>
/?	kahlepj 08/25/1999	ygeller 08/26/1999		_____			Housing
/1			martykr 08/26/1999	_____	lrb_docadmin 08/26/1999		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Bill

Received: 08/23/1999

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Tom Sykora (608) 266-1194

By/Representing: Sara Jermstad

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Econ. Development - housing

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Eliminating the requirement of appraisals for WHEDA home loan program

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>
1/?	kahlepj	1 8/26 jlg	km 8/26	JA 8/26	km 8/26		

FE Sent For:

<END>

LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, 5th Floor, 100 N. Hamilton St.
(608) 266-3561

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill.
Use this form only for **BILL** drafts. Attach more pages if necessary.

Date of request: 8/16/99	Legislator or agency requesting this draft: Rep. Tom Sykora
Name/phone number of person submitting request: Tom Sykora 6-1194	
Persons to contact for questions about this draft (names and phone numbers please): Sara Termstad 6-1195	
Describe the problem, including any helpful examples. How do you want to solve the problem? <p style="text-align: center;">TSK</p>	
If you know of any statute sections that might be affected, please list them or provide a marked (not re-typed) copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you? YES NO

If yes, anyone who asks? YES NO

Any legislator? YES NO ONLY the following persons:

WHEOA, Sen. Farrow, Rep. Morris-Tatum, Sen. Moore

Do you consider this urgent? YES NO If yes, please indicate why:

Is this request of higher priority than other pending request(s) you have made?

YES NO If yes, please sign your name here:

12





August 5, 1999

Direct Telephone: (608) 266-3529
Electronic Mail: James.Langdon@wheda.com

Honorable Gwendolynne S. Moore
Room 409 South, State Capitol
Madison, WI 53707-7882

Honorable Tom Sykora
Room 8 North, State Capitol
Madison, WI 53708-8953

Re: Property Value Insurance Legislation

Dear Senator Moore and ^{TOM} Representative Sykora:

WHEDA is interested in pursuing legislation to reduce the costs of homeownership for low-income, first-time buyers. The change we request would permit the use of property value insurance as an alternative to more costly home appraisals.

MGIC offers a property value insurance product that would work nicely with WHEDA's HOME Loan. According to MGIC, borrowers and lenders would benefit through lower costs and faster loan closings. WHEDA would benefit through reduced exposure to loss resulting from inaccurate valuation.

Our legal counsel advises that we cannot use property value insurance due to an unintended prohibition found in 234.59, stats. WHEDA requests a technical revision be made to that subsection, specifically:

243.59 (3) LOAN CONDITIONS. (a) The amount of a homeownership mortgage loan may not exceed ~~the lesser of 97% of the purchase price or 97% of the appraised value of the eligible property.~~

We ask that your offices have our request drafted as companion bills. Following tradition, we would like the Senate and Assembly bills introduced with the four legislative WHEDA Board members as lead sponsors.

Please let me know if I can provide any additional information at this time. Thank you for your help and continuing support of housing for low-income Wisconsinites.

Sincerely,

James M. Langdon
Executive Assistant

cc: Senator Margaret Farrow
Representative Johnnie Morris-Tatum
Chris LaRowe, Governor's Office
Sarah Justus, Department of Administration

WISCONSIN
HOUSING AND
ECONOMIC
DEVELOPMENT
AUTHORITY

Tommy G. Thompson
Governor

Edwin J. Zagzebski
Chairman

Fritz Ruf
Executive Director

201 West Washington Avenue
Suite 700
PO Box 1728
Madison, WI 53701-1728
tel 608/266-7884
fax 608/267-1099

101 West Pleasant Street
Suite 100
Milwaukee, WI 53212-3962
tel 414/227-4039
fax 414/227-4704

www.wheda.state.wi.us
wheda@mail.state.wi.us

WHEDA supports equal
housing opportunities for
all persons





PJK
JG

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

D-note

gen cost

1 AN ACT ~~;~~ relating to: property appraisals 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:

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

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

LRB-3483/dn

PSK jlg

I provided an initial applicability for loans *made* on the effective date. The bill could instead be made first applicable to loans *applied for* on the effective date. Let me know if you want any changes.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3483/1dn
PJK:jlg:km

August 26, 1999

I provided an initial applicability for loans *made* on the effective date. The bill could instead be made first applicable to loans *applied for* on the effective date. Let me know if you want any changes.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 08/26/1999

To: Representative Sykora

Relating to LRB drafting number: LRB-3483

Topic

Eliminating the requirement of appraisals for WHEDA home loan program

Subject(s)

Econ. Development - housing

1. **JACKET** the draft for introduction

Tom Sykora

in the **Senate** ____ or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Pamela J. Kahler, Senior Legislative Attorney
Telephone: (608) 266-2682