

1999 DRAFTING REQUEST

Bill

Received: **08/12/1999**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Gwendolynne Moore (608) 266-5810**

By/Representing: **Rob**

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:

The requirement of appraisals for WHEDA home loans

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	jgeller 08/26/1999		_____			Housing
/1			martykr 08/26/1999	_____	lrb_docadmin 08/26/1999	lrb_docadmin 10/08/1999	

FE Sent For:

<END>

Not Needed

sent for 10-13-99

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1?	kahlepj	1 8/20/99	km 8/26	km 8/26			

FE Sent For:

<END>

State Senator GWENDOLYNNE MOORE



Capitol Office:
P. O. Box 7882, Madison, WI 53707-7882
Phone: (608) 266-5810 Fax: (608) 267-2353
District Telephone: (414) 442-3080
Toll-free Legislative Hotline: 1-800-362-9472
E-Mail: sen.moore@legis.state.wi.us
Member: Joint Finance Committee
Board Member: Wisconsin Housing and
Economic Development Authority

FACSIMILE COVER SHEET
FAX # 608/267-2353

Attn: Pam

Number of pages, including cover page:

Please Deliver To:

264 -8522

Fax Number of Addressee: _____

From: **SENATOR GWENDOLYNNE S. MOORE**
Senate District 4
State Capitol
P.O. Box 7882
Madison, WI 53708
608/266-5810
Legislative Hotline 1/800/362-WISC

Staff: Shirley Ellis, Leanne Bergstrom, Kelly Bablitch, Rob Buchanan, Randi Schmidt

MESSAGE:

Please draft the
attached technical revision.
Thanks.



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



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 ^{GWEP} Senator Moore and 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:

234.59

~~240.59~~ (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



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-3432/1
PJK.....

Jg

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

D-note

gen cat

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) ^X of the statutes is amended to read:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3432/dn

PJK.....

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-3432/1dn
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: Senator Moore

Relating to LRB drafting number: LRB-3432

Topic

The requirement of appraisals for WHEDA home loans

Subject(s)

Econ. Development - housing

1. **JACKET** the draft for introduction

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

Barman, Mike

From: Barman, Mike
Sent: Wednesday, October 13, 1999 1:08 PM
To: Klubertanz, Beth
Subject: Housing Report Needed For SB 251 (99-3432/1)



99-3432/1

Mike Barman

Mike Barman - Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703