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2005 ASSEMBLY BILL 548

July 7, 2005 - Introduced by Representatives Wieckert, Nischke, Musser, Townsend, Gronemus, Mursau, Hines, Ott, Loeffelholz and M. Williams. Referred to Committee on Housing.

- AN ACT to repeal 234.59 (3) (b) 2.; and to renumber and amend 234.59 (3) (b)
 - 1. of the statutes; **relating to:** income limits under the Wisconsin Housing and
- Economic Development Authority's Homeownership Mortgage Loan Program.

Analysis by the Legislative Reference Bureau

The Wisconsin Housing and Economic Development Authority (WHEDA) administers a number of housing and economic development programs. Under the Homeownership Mortgage Loan Program, WHEDA contracts with authorized lenders to make or service loans for the construction, long-term financing, or rehabilitation of residential property. WHEDA may insure or provide additional security for the loans. A person who receives a loan, generally, may not have income that exceeds 110 percent of the median income of the county in which the property is located. The bill changes the income limit so that it is consistent with a provision of federal law that, generally, requires a mortgagor's income to be 115 percent or less of the median income for the area in which the residence is located or for the state, whichever is greater.

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.

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

ASSEMBLY BILL 548

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SECTION 1.	$234.59 \ (3) \ (b) \ 1.$ of the statutes is renumbered $234.59 \ (3) \ (bc)$), and
234.59 (3) (bc) 1.	as renumbered, is amended to read:	

234.59 (3) (bc) 1. Except as provided in subd. 1. c. 3., a homeownership mortgage loan may not be made to an applicant if the applicant's income combined, except as provided in subd. 1. b., with the income from all sources of all persons who intend to occupy the same dwelling unit as that applicant, exceeds 110% of the median income of the county where the eligible property is located if the eligible property is not a targeted area residence or exceeds 140% of the median income of the county where the eligible property is located if the eligible property is a targeted area residence exceeds the applicable level specified under 26 USC 143 (f).

SECTION 2. 234.59 (3) (b) 2. of the statutes is repealed.

SECTION 3. Initial applicability.

(1) This act first applies to homeownership mortgage loans for which application is made on the effective date of this subsection.

15 (END)