

March 22, 2007

S 1420. CLOSING THE EQUITY GAP/INCREASE HOMEOWNERSHIP. Filed 3/21/07. *TO INCREASE HOMEOWNERSHIP IN NORTH CAROLINA BY DEVELOPING A PUBLIC EDUCATION CAMPAIGN REGARDING HOMEOWNERSHIP PROGRAMS AND THE BENEFITS OF HOMEOWNERSHIP, TO PROVIDE BETTER HOME BUYER PREPARATION AND CONSUMER CREDIT COUNSELING, TO CREATE REGIONAL COALITIONS TO IDENTIFY AND REDUCE BARRIERS TO HOMEOWNERSHIP, AND TO APPROPRIATE FUNDS TO ESTABLISH THOSE PROGRAMS.*

Establishes the Equity Plus Homeownership Program and appropriates \$9 million for 2007-08 and \$9 million for 2008-09 from the General Fund to the Rural Economic Development Center, Inc. to fund the program. Specifies that (1) \$5 million of each appropriation must be used to create and support programs and products that increase ownership of equity-building homes; (2) \$3 million of each appropriation must be used to allocate grants to nonprofits and local governments to make homebuyer credit counselors available to Equity Plus homebuyers in every region of the state; (3) \$1 million of each appropriation must be used to develop a mechanism for identifying equity-building homes and to provide grants to regional coalitions to increase ownership of equity-building homes; and (4) up to 3% of each appropriation may be used to cover administrative expenses. Requires planning and periodic reporting. Establishes the Equity Plus Advisory Committee to collaborate with the Rural Center on the implementation of the program.

Appropriates \$7 million for 2007-08 and \$7 million for 2008-09 from the General Fund to the North Carolina Housing Finance Agency to create a loan loss reserve to offset expenses that may occur from defaults or delinquencies on mortgages purchased by the Agency from the Equity Plus Homeownership Program and to provide other assistance to home buyers in the program. Requires that the Rural Economic Development Center collaborate with the State Employees' Credit Union, the North Carolina Credit Union League, and the North Carolina Bankers' Association to develop new and identify existing Equity Plus mortgage products offered by member institutions that will increase the number of North Carolinians purchasing equity-building homes.

Requires the State Treasurer to develop a North Carolina specific mortgage portfolio in which the State Treasurer may invest. Requires the Treasurer to attempt to invest at least \$100 million in this mortgage portfolio. Amends GS 147-69.1(c)(2) to allow the Treasurer to consider economic benefit to the citizens of the state when selecting investments for General Fund, Highway Trust Fund, and Highway Fund assets. Effective July 1, 2007.

Intro. by Queen.

GS 147, APPROP