



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Assembly Bill 593**

**Assembly Amendment 1**

*Memo published:* November 21, 2005

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2005 Assembly Bill 593 makes various changes to programs administered by the Wisconsin Housing and Economic Development Authority (WHEDA).

Under the Housing Rehabilitation Program, the bill:

- Eliminates the requirement that the structure for which a loan is provided was first occupied as a residence at least 10 years before the granting of the loan.
- Deletes the exclusions for decks, patios, fencing, certain energy-efficient home appliances, and landscaping.
- Changes the income limitations and eliminates the caps on the amount and maximum term of housing rehabilitation loans.

Under the Homeownership Mortgage Loan Program, the bill:

- Removes the loan-to-value limit and the requirement for an appraisal of the property.
- Changes the income eligibility limit to be consistent with federal law.
- Eliminates the requirement that to be eligible for assistance, a duplex be a new structure and a targeted area residence.

Under the Small Business Development Loan Guarantee Program, the bill:

- Permits WHEDA to guarantee a refinancing loan if the borrower expands an existing business.

- Eliminates the \$750,000 limit on the total principal amount of a business's WHEDA-guaranteed loans.

In addition, the bill does all of the following:

- Increases from \$325,000,000 to \$600,000,000 the amount of notes and bonds to finance loans to eligible sponsors of housing projects that benefit persons and families of low and moderate income that WHEDA may issue.
- Extends the maximum term of loans under the Farm Assets Reinvestment Management Loan Guarantee Program to 10 years.
- Eliminates the restriction that WHEDA may acquire real or personal property only if WHEDA finds that low-income or moderate-income housing cannot be developed privately without an acquisition by the authority, or if the authority acquires property by reason of default.
- Adds WHEDA's loan program for housing projects for low-income and moderate-income persons and families to the list of programs for which certain records are confidential.
- Removes the requirement that WHEDA employ the Building Commission as its financial consultant to assist and coordinate the issuance of WHEDA's notes and bonds.

**Assembly Amendment 1** provides that WHEDA may not make, buy, or assume a home ownership mortgage loan for an individual who does not have a Social Security number.

Assembly Amendment 1 was offered on October 20, 2005 by Representative Nass and others and was adopted by the Assembly on November 8, 2005 on a vote of Ayes, 49; Noes, 45; Paired, 4. The bill, as amended, was passed on that same date on a vote of Ayes, 60; Noes, 36.

MM:jal