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LB 105

interested parties to determine alternative language that would clarify and yet be acceptable to those parties. Particularly around the direct lending provisions, much time has been spent dealing with the Bankers Association to come up with...with language that would still allow for public housing authorities to do some direct lending when appropriate but...but to make it in such a way that it does not infringe on the...a banker's role in that...in lending. And so the third part of my proposed amendment incorporates a number of changes worked out between the banking community and the housing agencies, and since it's clear that public housing authorities do not want to compete with private financial institutions in making commercial loans and personal loans, these amendments do that but also allow for limited types of lending activities that have been shown to be extremely helpful to low-income individuals who are seeking affordable housing. So, first, the amendment restores the power of housing agencies to make loans to persons of eligible income, under Section 43, under certain defined circumstances. Housing authorities will still be allowed to have loan programs for low-income tenants to assist them in making down payments or for other purposes to promote home ownership and self-sufficiency. Second, the amendment restores the housing agencies' ability to work with private developers, nonprofit associations, and commercial lenders to build low-income and mixed-income housing developments. Eliminating this authority would actually hurt the banking community. My amendments enable housing authorities to help finance projects where their participation is needed to get private financial institutions to participate. This lending power would be limited to two types of real estate developments. One would be loans to affiliates of the housing agency which are entities which are formed by the agencies themselves. The other would be loans for housing developments in conjunction with loans provided by private financial institutions. Third, the bankers were concerned that some of the sections of LB 105 could be construed to permit housing agencies to make loans beyond those authorized in Section 43. We've added a new subsection to Section 43, which makes it clear that housing agencies and affiliates can only make those forms of direct loans which are specifically authorized in LB 105. Fourth, these amendments restore the authority of housing authorities to forgive, compromise or settle debts or obligations owed to them. Housing agencies, like all business ventures, need to be able to