

75-4280. Same; procedures; agreement. (a) The state treasurer may accept or reject a housing loan deposit loan package based on the state treasurer's evaluation of whether the loan to the eligible developer borrower meets the purposes of this act. If sufficient funds are not available for a housing loan deposit, then the applications may be considered in the order received when funds are once again available subject to a review by the lending institution.

(b) Upon acceptance, the state treasurer shall certify to the director of investments the amount required for such housing loan deposit loan package and the director of investments shall place a housing loan deposit in the amount certified by the state treasurer with the eligible lending institution at an interest rate, which is 2% below the market rate provided in K.S.A. 75-4237, and amendments thereto, and which shall be recalculated on the first business day of January and July of each year using the market rate then in effect. The minimum interest rate shall be .50%, if the market rate is below 2.5%. When necessary, the state treasurer may request the director of investments to place such housing loan deposit prior to acceptance of a housing loan deposit loan package.

(c) The eligible lending institution shall enter into a housing loan deposit agreement with the state treasurer, which shall include requirements necessary to implement the purposes of the Kansas housing loan deposit program. Such requirements shall include an agreement by the eligible lending institution to lend an amount equal to the housing loan deposit to eligible developer borrowers at an interest rate which is not more than 4% greater than the interest rate on housing loan deposits as provided in subsection (b). Such rate shall be recalculated on the first business day of January and July of each year using the market rate then in effect. The agreement shall include provisions for the housing loan deposit to be placed for a maturity considered appropriate in coordination with the underlying housing loan. The agreement shall include provisions for the reduction of the housing loan deposit in an amount equal to any payment of loan principal by the eligible developer borrower.

History: L. 2008, ch. 115, § 6; L. 2009, ch. 123, § 3; July 1.