

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Reduce Foreclosures

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA §4722, sub-§1, ¶Z, as amended by PL 2005, c. 644, §2, is further amended to read:

Z. Condition approval of funding of a housing project upon an applicant's compliance with municipal health, safety and sanitation standards. The Maine State Housing Authority may condition approval of funding for a housing project upon a municipality's representation that the applicant, an affiliate of the applicant or any owner controlled by the applicant has no record of a material municipal code violation of health, safety or sanitation standards; and

Sec. 2. 30-A MRSA §4722, sub-§1, ¶AA, as enacted by PL 2005, c. 644, §3, is amended to read:

AA. Certify transfers of multifamily affordable housing property that qualify for the deduction under Title 36, section 5122, subsection 2, paragraph W or Title 36, section 5200-A, subsection 2, paragraph Q. The affordability restrictions that apply under this paragraph must be contained in a declaration signed by the transferee and recorded in the appropriate registry of deeds at the time of the sale or transfer.

(1) For the purposes of this paragraph, "multifamily affordable housing property" means a decent, safe and sanitary dwelling, apartment building or other living accommodation that includes at least 6 units, that meets at least one of the following affordability restrictions and for which those affordability restrictions, as applicable, expire in 10 years or less from the date of the sale or transfer of the property:

(a) At least 20% of the units have restricted rents affordable to households earning no more than 80% of the area median income as determined by the United States Department of Housing and Urban Development;

(b) The property is assisted by the United States Department of Housing and Urban Development, the United States Department of Agriculture or the Maine State Housing Authority; or

(c) The property qualifies for low-income housing credits under the United States Internal Revenue Code of 1986, Section 42.

(2) For the purposes of this paragraph, property does not qualify as multifamily affordable housing property unless:

(a) The transferee agrees to maintain the property as multifamily affordable housing property for an additional 30 years from the scheduled expiration;

(b) If the existing federal, state or other assistance is not available to maintain the property as multifamily affordable housing property, the transferee agrees to ensure that 1/2 of the units are affordable to persons at 60% of the area median income as determined by the United States Department of Housing and Urban Development for 30 years from the expiration of the then-existing affordability restrictions; or

(c) The transferee agrees to an alternative affordability agreement approved by the Maine State Housing Authority; and

Sec. 3. 30-A MRS §4722, sub-§1, ¶BB is enacted to read:

BB. Make a loan or contract with a financial institution to make a loan on behalf of the Maine State Housing Authority to pay off an existing loan on a single-family residence to assist a homeowner who is in default of the existing loan and in danger of losing the residence through foreclosure.

SUMMARY

This bill gives the Maine State Housing Authority the power to make a loan or enter into a contract with a financial institution to make a loan on behalf of the Maine State Housing Authority to pay off an existing loan on a single-family residence to assist a homeowner who is in default of the existing loan and in danger of losing the residence through foreclosure.