

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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HOUSE BILL 1134

Short Title: Housing and Foreclosure Prevention Assistance. (Public)

Sponsors: Representatives Autry, Holley, Harris, and Butler (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance, if favorable, Appropriations, if favorable, Rules, Calendar, and
Operations of the House

May 18, 2020

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FINANCIAL ASSISTANCE ON BEHALF OF INDIVIDUALS
AFFECTED BY THE COVID-19 PANDEMIC TO PREVENT FORECLOSURES, TO
ESTABLISH AN EMERGENCY HOUSING OFFICE WITHIN THE DEPARTMENT OF
HEALTH AND HUMAN SERVICES, AND TO DIRECT THE DEPARTMENT OF
HEALTH AND HUMAN SERVICES TO STUDY AND PROVIDE DATA ON
HOMELESS INDIVIDUALS AND INDIVIDUALS FACING HOMELESSNESS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The State Controller shall transfer the sum of one hundred million dollars (\$100,000,000) for the 2019-2020 fiscal year from the Coronavirus Relief Reserve established under Section 2.1 of S.L. 2020-4 to the Coronavirus Relief Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, P.L. 116-136, established in section 2.2 of that act.

SECTION 1.(b) There is appropriated from the Coronavirus Relief Reserve to the Home Protection Program Fund the sum of one hundred million dollars (\$100,000,000) in nonrecurring funds to be used by the Housing Finance Agency for the Home Protection Program in accordance with G.S. 122A-5.14, as modified by this section.

SECTION 1.(c) The Housing Finance Agency (Agency) shall utilize the funding appropriated for the Home Protection Program (Program) in this section in accordance with the provisions of G.S. 122A-5.14, except as modified as follows:

- (1) Eligible participants. – Individuals eligible for the Program meeting all of the following criteria:
 - a. The individual is a property owner in this State experiencing financial hardship from job loss as a result of the COVID-19 pandemic and unable to make mortgage payments.
 - b. The individual is currently enrolled in the State's unemployment programs.
 - c. The individual's household income may not exceed three hundred fifty percent (350%) of the federal poverty level.
- (2) Loan program. – An eligible participant may be awarded mortgage assistance funds in the form of a direct payment to the eligible participant's mortgagee. A loan issued under the Program shall meet the following requirements:
 - a. Only one household member may apply for the Program.



- 1 b. The property subject to the mortgage must be the sole and primary
2 residence of the eligible participant.
- 3 c. No more than forty thousand dollars (\$40,000) may be awarded to an
4 eligible participant.
- 5 d. The eligible participant must provide all necessary mortgage and
6 property information to allow the Agency to remit payment to the
7 mortgagee.
- 8 e. All record property owners for the subject property and all parties
9 identified as borrowers on the mortgage or security instrument must
10 agree to the terms of the loan issued under the Program.
- 11 f. The loan shall have a term of 10 years at zero percent (0%) interest,
12 measured from the date of the first disbursement of funds, and the
13 balance of the loan shall be forgiven at the conclusion of the 10-year
14 term, unless the property has been sold for a profit during the term of
15 the loan. The eligible participant shall pay a sum not to exceed the total
16 amount of assistance paid on behalf of the eligible participant under
17 the Program, up to the amount of profit realized in the sale. For the
18 purposes of this Program, a property shall be deemed as sold for a
19 profit if any of the following occur:
- 20 1. The property is sold for an amount that is greater than the sum
21 of the amount the eligible participant initially purchased the
22 property for plus the amount of assistance paid on behalf of the
23 eligible participant pursuant to the Program.
- 24 2. The eligible participant refinances the mortgage and receives
25 money reflecting all or a portion of the equity value of the
26 property.
- 27 (3) Assistance referrals. – A Program applicant shall be provided with optional
28 referrals to the Agency's State Home Foreclosure Prevention Project and
29 federal Department of Housing and Urban Development certified housing
30 counseling for additional financial and foreclosure prevention assistance.

31 **SECTION 1.(d)** The rule-making exemption and requirements provided in
32 G.S. 122A-5.14(c) shall apply to this section. The Agency shall include information on the
33 Program outlined in this section in the annual report required under G.S. 122A-5.14(d).

34 **SECTION 2.(a)** There is established within the Division of Social Services in the
35 Department of Health and Human Services the Emergency Housing Office (Office). The Office
36 shall be responsible for the following:

- 37 (1) Collect data identifying numbers of homeless individuals and individuals and
38 families at risk of homelessness in the State.
- 39 (2) Coordinate with the Department, as well as federal and local government
40 entities on distributing emergency housing vouchers, foreclosure prevention,
41 eviction prevention, temporary housing, and relocation resources.
- 42 (3) Provide resources and referrals to nonprofit organizations and other entities
43 that offer assistance to homeless individuals and individuals and families at
44 risk of homelessness.

45 **SECTION 2.(b)** The Department of Health and Human Services shall submit a
46 report, at least semiannually, to the Joint Legislative Oversight Committee on Health and Human
47 Services and the Fiscal Research Division that contains at least all of the following:

- 48 (1) Most recent data collected on homelessness and risk of homelessness broken
49 down on a regional, county, and city level.
- 50 (2) A summary of activity and demand for services involving assistance provided
51 to homeless individuals and individuals at risk of homelessness.

1 (3) Any legislative and funding recommendations.

2 **SECTION 3.(a)** Any unspent funds remaining on June 30, 2020, shall be carried
3 forward into the 2020-2021 fiscal year and are hereby appropriated for the 2020-2021 fiscal year.
4 The funds shall be used for the purposes described in this act and the requirements and limitations
5 set forth in the CARES Act.

6 **SECTION 3.(b)** Any funds awarded pursuant to this act that are returned or repaid
7 to the Agency shall be deposited to the Home Protection Program Fund to be used for the
8 purposes described in this act and the requirements and limitations set forth in the CARES Act.

9 **SECTION 4.** This act is effective when it becomes law.