

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 311

SHORT TITLE: Housing Finance Agency Bonds

SPONSOR(S): Senator David Hoyle

FISCAL IMPACT

Yes () No (x) No Estimate Available ()

PRINCIPAL PROGRAM AFFECTED: N. C. Housing Finance Agency.

EFFECTIVE DATE: October 1, 2001.

BILL SUMMARY: (1) Adds federal agency debt, State of North Carolina debt, high-grade commercial paper, and bankers' acceptances to the list of permitted repurchase agreement investments for money held by Housing Finance Agency. (2) Makes technical amendments to House Finance Agency statutes.

ASSUMPTIONS AND METHODOLOGY: Discussions with a representative of the Housing Finance Agency indicated that the debt instruments affected the bill are pledged as collateral and used in arbitrage operations. Under current market conditions, the use of long-term treasuries as collateral is expensive because these securities are in short supply. The enactment of the bill will lower than cost.

There is no impact on state or local revenues or expenditures as the Housing Finance Agency is a self-supporting state agency.

FISCAL RESEARCH DIVISION: 733-4910

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