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SENATE BILL DRS35399-MQa-154A*

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

Sponsors: Senators Mohammed, Robinson, and deViere (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FINANCIAL ASSISTANCE ON BEHALF OF INDIVIDUALS
3 AFFECTED BY THE COVID-19 PANDEMIC TO PREVENT FORECLOSURES, TO
4 ESTABLISH AN EMERGENCY HOUSING OFFICE WITHIN THE DEPARTMENT OF
5 HEALTH AND HUMAN SERVICES, AND TO DIRECT THE DEPARTMENT OF
6 HEALTH AND HUMAN SERVICES TO STUDY AND PROVIDE DATA ON
7 HOMELESS INDIVIDUALS AND INDIVIDUALS FACING HOMELESSNESS.

8 The General Assembly of North Carolina enacts:

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

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

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

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



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

- 25 (3) Assistance referrals. – A Program applicant shall be provided with optional
26 referrals to the Agency's State Home Foreclosure Prevention Project and
27 federal Department of Housing and Urban Development certified housing
28 counseling for additional financial and foreclosure prevention assistance.

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

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

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

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

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

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

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

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