

SENATE No. 779

By Mr. Timilty, a petition (accompanied by bill, Senate, No. 779) of Joseph F. Timilty and another for legislation to provide rehabilitation loans to owner-occupied dwelling units that do not meet standards of the state sanitary code. Urban Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Four.

AN ACT TO PROVIDE REHABILITATION LOANS TO OWNER-OCCUPIED DWELLING UNITS THAT DO NOT MEET STANDARDS OF THE STATE SANITARY CODE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 3 of chapter 23B of the General Laws as
2 most recently amended by section 1 of chapter 761 of the Acts
3 of 1968, is hereby further amended by adding after clause (t)
4 the following: — (u) issue bonds for rehabilitation loans, as
5 defined in Section 15A, that shall carry the full faith and
6 credit of the Commonwealth of Massachusetts, and that fur-
7 ther, shall be exempted from federal and state tax laws.

1 SECTION 2. Said chapter 23B is further amended by adding
2 after section 15, the following new section: — Section 15A.
3 The Department may issue bonds to provide for the making
4 of rehabilitation loans to owner-occupied residential dwellings
5 of one to four units. Said loans shall be used by the owner
6 such that his dwelling shall meet minimum standards of the
7 state sanitary code.

8 (a) Said rehabilitation loans shall be made at a rate of 3%
9 per annum, to be retired over a period of twenty years. How-
10 ever, the mortgagor may retire part or all of the loan at any
11 time that is in excess of the scheduled 3% per annum pay-
12 ment. If so, the Department may charge such fees as it sees
13 fit in processing such prepayment.

14 The Department, in processing the rehabilitation loan may

15 charge a fee not exceeding $1\frac{1}{2}\%$ of the amount of the loan;
16 said fee shall be paid over the twenty-year period, that is, in
17 the manner of the loan itself. Such fees may include, but shall
18 not be limited to, incurred finance costs, service charges, and
19 insurance premiums.

20 (b) The Department shall assure that all loans made in
21 excess of \$3,500.00 shall be guaranteed by note and mortgage.

22 (c) In providing rehabilitation loans, the Department may
23 make agreements with municipalities involved in said loans,
24 such that the municipality may assume delegated power as the
25 DCA sees fit, including, but not limited to inspection certifica-
26 tion of premises, under a Department rehabilitation loan, to
27 assure that minimum standards of the state sanitary code
28 have been met.