
HOUSE BILL 1629

State of Washington

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2003 Regular Session

By Representatives O'Brien, Kagi, Schindler, Kirby, Dunshee, Benson, Hunt, Chase, Morrell, Edwards, Simpson, Rockefeller and Miloscia

Read first time 02/03/2003. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to creating the manufactured home purchase
2 assistance program; and adding new sections to chapter 43.31 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout sections 1 through 4 of this act unless the context clearly
6 requires otherwise.

7 (1) "Department" means the department of community, trade, and
8 economic development.

9 (2) "Director" means the director of the department of community,
10 trade, and economic development.

11 (3) "Eligible person" means a person who meets the requirements set
12 forth in section 3 of this act.

13 (4) "Income requirement" means an income level, set by the
14 department in rule, that is below the median family income of the
15 state.

16 (5) "Manufactured home purchase loan" means a loan for the purchase
17 of a manufactured home, manufactured home lot, or manufactured home and
18 lot that is guaranteed under the manufactured home purchase assistance
19 program.

1 (6) "Lender" means banks, trust companies, savings and loan
2 associations, credit unions, nonprofit housing organizations, or other
3 financial institutions that provide manufactured home purchase loans.

4 (7) "Manufactured home" means a single-family dwelling built in
5 accordance with the department of housing and urban development
6 manufactured home construction and safety standards act, which is a
7 national, preemptive building code.

8 (8) "Manufactured home standards" means the manufactured home
9 construction and safety standards as promulgated by the United States
10 department of housing and urban development.

11 NEW SECTION. **Sec. 2.** The manufactured home purchase assistance
12 program is created in the department to assist eligible persons in
13 obtaining manufactured home purchase loans.

14 (1) Lenders providing financing to an eligible person for a home
15 purchase loan will be insured by the manufactured home purchase
16 assistance program against default by the eligible person under the
17 terms provided in sections 1 through 4 of this act.

18 (2) Before a lender makes a manufactured home purchase loan the
19 lender must, pursuant to contract, establish the terms of the loan
20 guarantee with the department before it will be insured under the
21 assistance program. The manufactured home purchase loan must provide
22 a fixed interest rate loan based upon the best prevailing market rate
23 in the area at the time the loan is made.

24 (3) If an eligible person defaults, the lender may apply to the
25 department for reimbursement for the defaulted amount in accordance
26 with the terms of the contract between the department and lender.

27 NEW SECTION. **Sec. 3.** To qualify for a manufactured home purchase
28 loan a person must:

29 (1) Make a down payment of five percent of the value of the
30 manufactured home, manufactured home lot, or manufactured home and lot;

31 (2) Demonstrate that they have current adequate income to make the
32 payments on the loan and meet their other expenses, including a salary
33 that is at least two and one-half times the value of the expected
34 monthly payment on the home purchase loan;

35 (3) Not have declared bankruptcy under the federal bankruptcy code
36 at any time within the past ten years;

1 (4) Provide documentation or other proof, as required by the
2 department, that the person has been continuously employed for the
3 three years prior to the loan guarantee request;

4 (5) Have a suitable site on which to place the manufactured home.
5 The home may be placed on a rental site in a manufactured home park, or
6 on an individual home site owned or leased by the borrowers. The site
7 must meet the established local standards for site suitability and have
8 adequate water supply and sewage disposal facilities.

9 NEW SECTION. **Sec. 4.** (1) The department may, pursuant to a
10 contract, agree to provide funds to a lender in the event an eligible
11 person has defaulted on a home purchase loan. The department shall not
12 guarantee additional loans if the available money to fund the program
13 does not equal or exceed the amount it would cost to repay lenders if
14 fifty percent of all current applicants defaulted on their home
15 purchase loans.

16 (2) The manufactured home purchase assistance account is created in
17 the custody of the state treasurer. The account shall contain all
18 money allocated by the state to the account and any other money
19 otherwise transferred into the account. Expenditures from the account
20 must be used only to fund the manufactured home purchase assistance
21 program as specified under this section and sections 1 through 3 of
22 this act. Only the director or the director's designee may authorize
23 expenditures from the account. The account is subject to allotment
24 procedures under chapter 43.88 RCW, but an appropriation is not
25 required for expenditures.

26 NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act are each
27 added to chapter 43.31 RCW.

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