1484-S2 AMH STAN VANS 101

**2SHB 1484** - H AMD **741**

By Representative StanfordBy Representative StanfordBy Representative StanfordBy Representative Stanford

**ADOPTED 02/18/2014**

On page 14, beginning on line 23, strike all of subsection (b) and insert the following:

"(b) For all construction loan projects ((~~proposed to the legislature for funding during the 2013~~‑~~2015 fiscal biennium~~)), the board must ((~~base interest rates on the average daily market interest rate for tax‑exempt municipal bonds as published in the bond buyer's index for the period from sixty to thirty days before the start of the application cycle. For projects with a repayment period between five and twenty years, the rate must be sixty percent of the market rate. For projects with a repayment period under five years, the rate must be thirty percent of the market rate~~)) establish lending policies and procedures that are consistent with managing the public works assistance account for long-term sustainability. When determining loan terms that will be in effect for an application round, the board must take into account applicable market rates, but may, at its discretion, use additional factors to set the final loan terms. The board must also provide reduced interest rates((~~,~~)) or extended repayment periods ((~~, or forgivable principal loans~~)) for projects that meet financial hardship criteria as measured by the affordability index or similar standard measure of financial hardship."

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|  | EFFECT:  Replaces specific requirements related to Public  Works Board (Board) lending practices with the following:   * Requires the Board's lending policies and procedures to be consistent with managing the Public Works Assistance Account for long-term sustainability. * Requires the Board to take market rates into account, but authorizes its consideration of additional factors when setting final loan terms. * Removes forgivable principal loans as an option for hardship projects. |

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