

2SHB 1484 - H AMD 741

By Representative Stanford

ADOPTED 02/18/2014

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

3 "(b) For all construction loan projects (~~proposed to the~~  
4 ~~legislature for funding during the 2013-2015 fiscal biennium~~)), the  
5 board must (~~base interest rates on the average daily market interest~~  
6 ~~rate for tax exempt municipal bonds as published in the bond buyer's~~  
7 ~~index for the period from sixty to thirty days before the start of the~~  
8 ~~application cycle. For projects with a repayment period between five~~  
9 ~~and twenty years, the rate must be sixty percent of the market rate.~~  
10 ~~For projects with a repayment period under five years, the rate must~~  
11 ~~be thirty percent of the market rate~~)) establish lending policies and  
12 procedures that are consistent with managing the public works  
13 assistance account for long-term sustainability. When determining loan  
14 terms that will be in effect for an application round, the board must  
15 take into account applicable market rates, but may, at its discretion,  
16 use additional factors to set the final loan terms. The board must  
17 also provide reduced interest rates(~~(7)~~) or extended repayment periods  
18 (~~(7 or forgivable principal loans)~~) for projects that meet financial  
19 hardship criteria as measured by the affordability index or similar  
20 standard measure of financial hardship."

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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