

AMENDED IN SENATE JUNE 27, 2013
AMENDED IN ASSEMBLY MARCH 14, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 835

Introduced by Assembly Member Muratsuchi

February 21, 2013

An act to add Section 8277.63 to the Education Code, relating to child care.

LEGISLATIVE COUNSEL'S DIGEST

AB 835, as amended, Muratsuchi. Child care: facilities: loans.

Existing law, until funding was repealed, authorized the Department of Housing and Community Development to use moneys from a specified fund for the purpose of making subordinated loans to certain entities for the purchase, development, construction, expansion, or improvement of licensed child care and development facilities. Similarly, until that funding was repealed, the department was required to adopt regulations to implement a microenterprise loan program where loans were available from that fund to local microenterprise loan funds and other lenders who are authorized to relend the moneys to eligible small and large family day care providers, and licensed child care and development facilities that serve up to 35 children.

This bill would authorize the department, ~~with the agreement upon the request~~ of the borrower, to ~~amend~~ *modify* the terms of a loan made pursuant to the authorizations described above *if the department determines that the borrower has demonstrated hardship, subject to compliance with specified requirements.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8277.63 is added to the Education Code,
2 to read:
3 ~~8277.63. The Department of Housing and Community~~
4 ~~Development, with the agreement of the borrower, may amend~~
5 ~~the terms of a loan entered into pursuant to Section 8277.5 or~~
6 ~~8277.6.~~
7 8277.63. (a) *For purposes of this section, “department” means*
8 *the Department of Housing and Community Development.*
9 (b) *Upon request from a borrower, the department may, in its*
10 *discretion, modify the terms of a loan entered into pursuant to*
11 *Section 8277.5 or 8277.6, if the department determines that the*
12 *borrower has demonstrated hardship. Any modification approved*
13 *by the department shall comply with all of the following:*
14 (1) *The principal amount of the loan shall not increase.*
15 (2) *The principal amount of the loan shall not decrease below*
16 *the current appraised value of the property as provided by a*
17 *licensed or certified appraiser.*
18 (3) *The monthly payment due from the borrower shall decrease.*
19 (c) *The department may agree to allow a modified loan*
20 *described in subdivision (b) to become subordinate to another*
21 *loan under terms and conditions the department deems reasonable.*

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