

ASSEMBLY BILL

No. 2280

Introduced by Assembly Member Ridley-Thomas

February 18, 2016

An act to add Section 50964 to the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2280, as introduced, Ridley-Thomas. California Housing Finance Agency: program eligibility requirements: changes.

Existing law creates the California Housing Finance Agency, which is administered by a board of directors and which is supervised on a day-to-day basis by an executive director. Existing law provides that the primary purpose of the agency is to meet the housing needs of persons and families of low to moderate income. Existing law authorizes the agency to make loans to housing sponsors for housing developments and to qualified mortgage lenders, among others.

This bill would generally prohibit the agency from changing the eligibility requirements for a housing or lending program that the agency administers without providing a lender or other party participating in the program notice of the change at least 5 business days prior to the change taking effect. The bill would require the notice to be provided by a program bulletin and that the program bulletin be posted on the agency's Internet Web site. The bill would permit the agency to make a change in eligibility requirements without satisfying the notification requirements upon a specified finding of the agency's executive director or a vote of the board of directors. The bill would require the agency to require a lender or other party participating in these programs to have

protocols that provide timely notification to representatives of the participants of changes to program eligibility 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. It is the intent of the Legislature in enacting this
2 act to do all of the following:

3 (a) Promote home ownership in California by establishing
4 stability and predictability in the programs administered by the
5 California Housing Finance Agency.

6 (b) To improve the confidence of prospective home buyers in
7 government programs designed to assist them in the complex
8 process of buying a home and the ability of prospective home
9 buyers to purchase a home.

10 (c) To ensure that prospective home buyers who are in the
11 process of purchasing a home through a program administered by
12 the California Housing Finance Agency receive notice as soon as
13 practically possible regarding changes in eligibility requirements,
14 so they are best positioned to secure the financing that they need
15 and deserve.

16 SEC. 2. Section 50964 is added to the Health and Safety Code,
17 to read:

18 50964. (a) The agency shall not change the eligibility
19 requirements for a housing or lending program that the agency
20 administers, however that program may be characterized, including,
21 but not limited to, the California Homebuyer’s Downpayment
22 Assistance Program (Chapter 11 (commencing with Section
23 51500)) and the Mortgage Credit Certificate Program (Chapter
24 3.5 (commencing with Section 50172), Part 1), without providing
25 a lender or other party participating in the program notice of the
26 change at least five business days prior to the change taking effect.
27 The notification shall be provided by means of a program bulletin.
28 The requirements of this subdivision may be excepted only as
29 provided in this section.

30 (b) Except as otherwise provided in subdivision (c), the agency
31 shall post a program bulletin notifying of a change in eligibility
32 in a housing or lending program that it administers on its Internet
33 Web site at the earliest practicable time.

1 (c) The agency may change eligibility requirements without the
2 five-business-day notification period if the executive director
3 makes a determination that both of the following are true:

4 (1) The change in eligibility is required by federal law.

5 (2) The agency will lose federal funding if the eligibility
6 requirements are subject to the five-business-day notification
7 period.

8 (d) Notwithstanding subdivision (a) or (c), the board of directors
9 may change eligibility requirements by majority vote without
10 regard to the five-business-day notification period.

11 (e) The agency shall require, as a condition of participating in
12 a housing or lending program that the agency administers, that a
13 lender or other participating party has protocols that provide for
14 timely notification to its representatives of changes to program
15 eligibility requirements.