

AMENDED IN SENATE MAY 1, 2000

SENATE BILL

No. 2197

Introduced by Senator Soto

March 16, 2000

~~An act relating to water. An act to amend Section 51345 of, and to repeal Section 51348 of, the Health and Safety Code, relating to housing.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 2197, as amended, Soto. ~~Optimum Basin Management Plan: Chino Basin~~ Home purchase assistance.

The Roberti-Greene Home Purchase Assistance Program, administered by the California Housing Finance Agency, requires that the amount of home purchase assistance not exceed the amount necessary to make the total debt financing affordable to eligible households, that the principal and interest that is due be reduced if the proceeds of a sale are insufficient to reimburse the original downpayment, and that not more than 50% of the assistance be provided for homes not previously occupied.

This bill would repeal those requirements.

~~Under existing law, various groundwater basins are subject to management plans.~~

~~This bill would declare the intent of the Legislature to define the roles of appropriate agencies with regard to the implementation of the Optimum Basin Management Plan prepared by the Watermaster for the Chino Basin.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ 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 to~~
2 ~~define the roles of appropriate agencies regarding the~~
3 ~~implementation of the Optimum Basin Management~~
4 ~~Plan prepared by the Watermaster for the Chino Basin.~~

5 SECTION 1. Section 51345 of the Health and Safety
6 Code is amended to read:

7 51345. (a) The agency shall administer a home
8 purchase assistance program in accordance with this
9 chapter. The purpose of the home purchase assistance
10 program is to assist first-time homebuyers to utilize
11 existing mortgage financing available pursuant to this
12 part or Division 4 (commencing with Section 800) of the
13 Military and Veterans Code with the additional financial
14 resources made available pursuant to Part 8
15 (commencing with Section 53130).

16 (b) Home purchase assistance under this chapter shall
17 include, but not be limited to: (1) an interest rate subsidy
18 to reduce the interest rate, (2) a deferred-payment,
19 low-interest, second-mortgage loan to reduce the
20 principal and interest payments, and (3) downpayment
21 assistance to make financing affordable to first-time
22 homebuyers.

23 ~~(c) The amount of home purchase assistance shall not~~
24 ~~exceed the amount necessary to make the total debt~~
25 ~~financing affordable to eligible households, but in~~ *In* no
26 case shall the interest rate subsidy reduce the effective
27 interest rate to the borrower below 3 percent per annum,
28 nor shall the deferred-payment, low-interest,
29 second-mortgage loan exceed 49 percent of the total debt
30 financing necessary to purchase the home.

31 (d) The amount of home purchase assistance shall be
32 a second-mortgage loan secured by a deed of trust of
33 second priority to the primary financing provided by the
34 agency or the Department of Veterans Affairs. The term
35 of the home purchase assistance shall not exceed the term
36 of the primary loan.

37 (e) The amount of home purchase assistance shall be
38 due and payable at *the* end of *the* term ~~or~~, upon *the* sale



1 of the home, or *upon* refinancing. ~~If there are insufficient~~
2 ~~proceeds from the sale to reimburse the borrower for the~~
3 ~~amount of the borrower's share of the original~~
4 ~~downpayment, the principal and interest due on the~~
5 ~~home purchase assistance shall be reduced by that~~
6 ~~amount. In no case shall the amount of principal and~~
7 ~~interest due and payable by the borrower on the primary~~
8 ~~financing be reduced for this purpose. The borrower may~~
9 ~~refinance the mortgages on the home provided if the~~
10 ~~principal of and accrued interest on the second mortgage~~
11 ~~loan securing the home purchase assistance are repaid in~~
12 ~~full. All repayments shall be deposited in the fund.~~

13 *SEC. 2. Section 51348 of the Health and Safety Code*
14 *is repealed.*

15 ~~51348. No more than 50 percent of the home purchase~~
16 ~~assistance provided under this chapter shall be for the~~
17 ~~purchase of homes that have not been previously~~
18 ~~occupied.~~

