



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 4580 (as passed by the House)  
Sponsor: Representative Diana Farrington  
House Committee: Financial Services  
Senate Committee: Banking and Financial Institutions

Date Completed: 9-11-17

**CONTENT**

**The bill would amend the State Housing Development Authority Act to delete a provision prohibiting the Michigan State Housing Development Authority (MSHDA) from making, purchasing, or participating in refinancing loans for one- to four-unit housing units, after April 3, 2011.**

Under Section 44(3) of the Act, MSHDA may make, purchase, or participate in loans made to individual purchasers for acquisition and long-term financing or refinancing of newly rehabilitated, newly constructed, or existing one- to four-unit housing units, including a residential condominium unit, subject certain conditions, including specific dollar limits on the purchase price or, in the case of a refinancing, the appraised value.

With regard to refinancing, however, MSHDA may not make, purchase, or commence participation in loans to individual purchasers under Section 44(3) after April 3, 2011. The bill would delete this provision.

Additionally, the Act permits MSHDA to make, purchase, or participate in a loan for acquisition and long-term financing of newly rehabilitated, newly constructed, or existing one- to four-unit housing units, including a residential condominium unit, subject to certain other conditions, including purchase price limits set by Fannie Mae, Freddie Mac, and Ginny Mae. Under the bill, MSHDA also could make, purchase, or participate in a loan for acquisition and long-term refinancing for such housing units.

The bill would take effect 90 days after its enactment.

MCL 125.1444

Legislative Analyst: Stephen Jackson

**FISCAL IMPACT**

The bill would have no fiscal impact on local government, but could have an impact on the Michigan State Housing Development Authority. The bill would allow MSHDA to refinance one- to four-unit housing units, which could allow MSHDA to lower long-term debt obligations or expand obligations if MSHDA took over the debt of additional homeowners. These decisions would not affect the general State debt obligation or General Fund appropriations since MSHDA's debt obligation is the responsibility of the Authority and spending by MSHDA is funded using its restricted revenue.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.