

# HOUSE BILL No. 5620

May 10, 2012, Introduced by Reps. Wayne Schmidt, Zorn and Shaughnessy and referred to the Committee on Commerce.

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending section 32b (MCL 125.1432b), as amended by 2004 PA 549.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 32b. (1) The authority is designated as the administrator  
2 of the mortgage credit certificate program for this state permitted  
3 under section 25 of the internal revenue code, 26 USC 25.

4           (2) The authority shall prepare guidelines that would allow  
5 for the implementation of a mortgage credit certificate program  
6 through mortgage lenders.

7           (3) ~~For~~ **FOR A BORROWER TO** qualify for receipt of a mortgage  
8 credit certificate with respect to the acquisition of a new or  
9 existing housing unit, including a residential condominium or  
10 mobile home, both of the following ~~apply~~ **REQUIREMENTS SHALL BE MET:**

11           (a) The purchase price with respect to the new or existing

1 unit shall not exceed ~~3 times the income limit, as established~~  
 2 ~~pursuant to subdivision (b), subsection (5)(a), or subsection~~  
 3 ~~(5)(b).~~ **THE LIMITS ESTABLISHED IN SECTION 44 FOR NEWLY**  
 4 **REHABILITATED, NEWLY CONSTRUCTED, OR EXISTING 1- TO 4-UNIT HOUSING**  
 5 **UNITS, INCLUDING A RESIDENTIAL CONDOMINIUM UNIT AS CONDOMINIUM UNIT**  
 6 **IS DEFINED IN SECTION 4 OF THE CONDOMINIUM ACT, 1978 PA 59, MCL**  
 7 **559.104, FOR WHICH THE AUTHORITY MAY MAKE LOANS TO INDIVIDUAL**  
 8 **PURCHASERS FOR ACQUISITION AND LONG-TERM FINANCING OR REFINANCING.**

9 (b) The borrower's family income does not exceed the  
 10 following, **AS APPLICABLE:**

11 (i) **THE LIMITS ESTABLISHED IN SECTION 44 FOR INDIVIDUAL**  
 12 **PURCHASERS TO WHOM THE AUTHORITY MAY MAKE LOANS FOR THE ACQUISITION**  
 13 **AND LONG-TERM FINANCING OR REFINANCING OF NEWLY REHABILITATED,**  
 14 **NEWLY CONSTRUCTED, OR EXISTING 1- TO 4-UNIT HOUSING UNITS.**

15 (ii) ~~(i)~~ For eligible distressed areas, \$69,800.00 until June 1,  
 16 2006, \$72,250.00 until November 1, 2007, and \$74,750.00 on and  
 17 after November 1, 2007 **BUT BEFORE THE EFFECTIVE DATE OF THE 2012**  
 18 **AMENDATORY ACT THAT AMENDED THIS SECTION.**

19 (iii) ~~(ii)~~ For any other area, \$60,700.00 until June 1, 2006,  
 20 \$62,800.00 until November 1, 2007, and \$65,000.00 on and after  
 21 November 1, 2007 **BUT BEFORE THE EFFECTIVE DATE OF THE 2012**  
 22 **AMENDATORY ACT THAT AMENDED THIS SECTION.**

23 (4) The authority may increase the purchase price limit in  
 24 subsection (3) to cover the cost of improvements to adapt the  
 25 property for use by disabled individuals or unexpected cost  
 26 increases during construction. The amount of the increase shall be  
 27 the amount of the costs described in this subsection or ~~the sum of~~

1 \$3,500.00, whichever is less.

2 (5) To qualify for receipt of a mortgage credit certificate  
3 with respect to the improvement or rehabilitation of an existing  
4 housing unit, including a residential condominium or mobile home,  
5 the borrower's family income shall not exceed the ~~following~~**LIMITS**  
6 **ESTABLISHED IN SECTION 44A FOR PERSONS AND FAMILIES OF LOW AND**  
7 **MODERATE INCOME.**

8 ~~—— (a) For eligible distressed areas, \$69,800.00 until June 1,~~  
9 ~~2006, \$72,250.00 until November 1, 2007, and \$74,750.00 on and~~  
10 ~~after November 1, 2007.~~

11 ~~—— (b) For any other area, \$60,700.00 until June 1, 2006,~~  
12 ~~\$62,800.00 until November 1, 2007, and \$65,000.00 on and after~~  
13 ~~November 1, 2007.~~

14 (6) If an income or purchase price limit prescribed by  
15 subsection (3), (4), or (5) exceeds an applicable limit prescribed  
16 by the internal revenue code, 26 USC 1 to ~~9833~~**9834**, the internal  
17 revenue code limit applies. Except with respect to newly  
18 constructed housing units, the authority may at any time by  
19 resolution establish, for a length of time it considers  
20 appropriate, maximum borrower income or purchase price limits more  
21 restrictive than those maximum limitations set forth in this  
22 section. The authority shall advise the appropriate house and  
23 senate standing committees 5 days prior to the adoption of a  
24 resolution establishing more restrictive income or purchase price  
25 limits.

26 (7) The changes made by 1995 PA 186 to purchase price limits  
27 in the subsections that at the time were designated subsections (3)

1 and (4) were retroactive, effective as of October 29, 1993.