

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 1296
HOUSE BILL 1720

AN ACT TO AMEND CHAPTER 122A OF THE GENERAL STATUTES OF NORTH CAROLINA TO CHANGE THE NAME OF THE NORTH CAROLINA HOUSING CORPORATION TO NORTH CAROLINA HOUSING FINANCE AGENCY, TO PERMIT SAID AGENCY TO ACCEPT THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE STATE TO ACCOMPLISH ITS CORPORATE PURPOSES, TO USE THE PROCEEDS OF BONDS OF THE AGENCY TO PURCHASE FEDERALLY INSURED SECURITIES OF MORTGAGE LENDERS WHERE SUCH EXPENDITURES OF PROCEEDS WILL PROVIDE RESIDENTIAL HOUSING FOR PERSONS OF LOWER INCOME AND TO AUTHORIZE THE AGENCY TO INSURE MORTGAGE LOANS MADE FOR THE PURPOSE OF PROVIDING HOUSING FOR PERSONS OF LOWER INCOME.

The General Assembly of North Carolina enacts:

Section 1. G.S. 122A-1 is hereby amended to read as follows:

"This Chapter shall be known and may be cited as the 'North Carolina Housing Finance Agency Act'".

Sec. 2. G.S. 122A-2 is hereby amended by deleting the word "Corporation" wherever it appears in the fourth paragraph thereof and inserting in lieu thereof the words "Finance Agency", by revising the third paragraph to read as follows:

"The General Assembly hereby finds and declares further that the purposes of this Chapter are to provide financing for residential housing construction, new or rehabilitated, for sale or rental to persons and families of lower income."

and by adding an additional paragraph thereto to read as follows:

"The General Assembly hereby further finds and declares that it shall be the policy of said Agency, whenever feasible, to give first priority in its programs to assisting persons and families of lower income in the purchase and rehabilitation of residential housing, and to undertake its programs in the areas where the greatest housing need exists, and to give priority to projects and individual units which conform to sound principles and practices of comprehensive land use and environmental planning, regional development planning and transportation planning as established by units of local government and regional organizations having jurisdiction over the area within which such projects and units are to be located if such government agencies exist in an area under consideration. However, no area of need shall be penalized because government planning agencies do not exist in such areas."

Sec. 3. Paragraph (1) of G.S. 122A-3 is hereby amended by deleting the word "Corporation" and inserting in lieu thereof the word "Agency", by deleting the words "but shall not include any fund notes", and by placing a semicolon after the word "Chapter".

Sec. 4. Paragraph (2) of G.S. 122A-3 is hereby amended to read as follows:

"'Agency' means the North Carolina Housing Finance Agency created by this Chapter;"

Sec. 5. Paragraph (3) of G.S. 122A-3 is hereby amended by deleting the entire paragraph and the subparagraphs.

Sec. 6. Paragraph (4) of G.S. 122A-3 is hereby amended by deleting the entire paragraph.

Sec. 7. Paragraph (5) of G.S. 122A-3 is hereby amended by renumbering the same as "(3)".

Sec. 8. Paragraph (6) of G.S. 122A-3 is hereby amended by deleting the entire paragraph.

Sec. 9. Paragraph (7) of G.S. 122A-3 is hereby further amended by deleting the entire paragraph.

Sec. 10. Paragraph (8) of G.S. 122A-3 is hereby amended by renumbering the same as "(4)" and revising said paragraph to read as follows:

"'Mortgage' or 'mortgage loan' means a mortgage loan for residential housing, including a mortgage loan insured or guaranteed by the United States or an instrumentality thereof or by which there is a commitment by the United States or an instrumentality thereof to insure such a mortgage;"

Sec. 11. Paragraph (9) of G.S. 122A-3 is hereby amended by deleting the entire paragraph.

Sec. 12. Paragraph (10) of G.S. 122A-3 is hereby amended by renumbering the same as "(5)" and by revising said paragraph to read as follows:

"'Obligations' means any bonds or bond anticipation notes authorized to be issued by the Agency under the provisions of this Chapter;"

Sec. 13. Paragraph (11) of G.S. 122A-3 is hereby amended by renumbering the same as "(6)" and revising said paragraph to read as follows:

"'Persons and families of lower income' means persons and families deemed by the Agency to require such assistance as is made available by this Chapter on account of insufficient personal or family income, taking into consideration, without limitation, (i) the amount of the total income of such persons and families available for housing needs, (ii) the size of the family, (iii) the cost and condition of housing facilities available, (iv) the eligibility of such persons and families for federal housing assistance of any type predicated upon a lower income basis and (v) the ability of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and deemed by the Agency therefore to be eligible to occupy residential housing financed wholly or in part, with mortgages, or with other public or private assistance;"

Sec. 14. Paragraph (12) of G.S. 122A-3 is hereby amended by renumbering the same as "(7)" and revising it to read as follows:

"'Residential housing' means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons and families of lower income, including the rehabilitation of buildings and improvements, and such other nonhousing facilities as may be incidental or appurtenant thereto;"

Sec. 15. Paragraph (13) of G.S. 122A-3 is hereby amended by renumbering the same as "(8)".

Sec. 16. G.S. 122A-3 is hereby amended by adding thereto an additional paragraph to be numbered "(9)" and to read as follows:

"'Federally insured securities' means an evidence of indebtedness secured by a first mortgage lien on residential housing for persons of lower income and insured or guaranteed as to repayment of principal and interest by the United States or any agency or instrumentality thereof; and"

Sec. 17. G.S. 122A-3 is hereby further amended by adding thereto a new paragraph to be numbered "(10)" and to read as follows:

"'Mortgage lenders' means any bank or trust company, savings bank, national banking association, savings and loan association, or building and loan association, life insurance company, mortgage banking company, the federal government and any other financial institution authorized to transact business in the State."

Sec. 18. G.S. 122A-4 is hereby amended by changing the heading to read "North Carolina Housing Finance Agency" and by revising the first paragraph to read as follows:

"There is hereby created a body politic and corporate to be known as 'North Carolina Housing Finance Agency' which shall be constituted a public agency and an instrumentality of the State for the performance of essential public functions. The Agency shall be governed by a Board of Directors composed of thirteen members. Four of the members of said Board shall be members of the General Assembly, two from each house thereof, the two members from the Senate to be appointed by the President of the Senate and the two members from the House to be appointed by the Speaker of the House. The remaining nine directors of the Agency shall be residents of the State and shall not hold other public office. The President of the Senate also shall appoint one director who shall be experienced with a savings and loan institution and one director who shall be experienced in homebuilding. The Speaker of the House also shall appoint one director who shall have had experience with a mortgage servicing institution and one director who shall be experienced as a licensed real estate broker. The Governor shall appoint four of the directors of the Agency, one of such appointees shall be experienced in community planning, one shall be experienced in subsidized housing management, one shall be experienced as a specialist in housing public policy, and one shall be experienced in the manufactured housing industry. The eight non-legislative directors of the Agency thus appointed shall be appointed for staggered four-year terms, two being appointed initially for one year by the President of the Senate and Speaker of the House respectively, two for two years, by the President of the Senate and by the Speaker of the House respectively, two for three years and two for four years, respectively, as designated by the Governor, and shall continue in office until his successor shall be duly appointed and qualified, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Any member of the Board of Directors shall be eligible for reappointment. The four directors who are members of the General Assembly shall be appointed for a term of two years. The twelve members of the Board shall then elect a thirteenth member to the Board by simple majority vote who shall serve as Chairman. Each non- legislative member of the Board of Directors may be removed by the Governor for misfeasance, malfeasance or neglect of duty after reasonable notice and a public hearing, unless the same are in writing expressly waived. Each non- legislative member of the Board of Directors before entering upon his duties shall take an oath of office to administer the duties of his office faithfully and impartially and a record of such oath shall be filed in the office of the Secretary of State. The Board of Directors shall designate one of its members to serve as Vice-Chairman. The terms of the Chairman and Vice-Chairman shall extend to the earlier of either two years or the date of expiration of their then current terms as members of the Board of Directors of the Agency. The Agency shall be placed within the Department of the Treasurer and shall be subject to the general supervision of the Treasurer; provided, however, that the approval of the Treasurer shall not be required for the exercise by the Agency of any of the powers granted by this act. The Board of Directors shall, subject to the approval of the Treasurer, elect and appoint and prescribe the duties of such other officers as it shall deem necessary or advisable, including an executive director and a secretary, and the Advisory Budget Commission shall fix the compensation of such officers. All personnel employed by the Agency shall be subject to the State Personnel Act and the books and records of the Agency shall be subject to audit by the State."

Sec. 19. The second and third paragraphs of G.S. 122A-4 are hereby amended by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency", and by deleting the words "only as to the members appointed by the Governor", in the second paragraph prior to the word "such" in the penultimate line.

Sec. 20. The third paragraph of G.S. 122A-4 is hereby amended by adding after the last word in the first sentence the words "Board of Directors." and the penultimate sentence of the third paragraph of G.S. 122A-4 is hereby amended to read as follows:

"Seven members of the Board of Directors of the Agency shall constitute a quorum and the affirmative vote of a majority of the members present at a meeting of the Board of Directors duly called and held shall be necessary for any action taken by the Board of Directors of the Agency, except adjournment; provided, however, that the Board of Directors may appoint an executive committee to act in behalf of said Board during the period between regular meetings of said Board, and said committee shall have full power to act upon the vote of a majority of its members."

Sec. 21. G.S. 122A-5 is hereby amended by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency" and by deleting existing paragraph (1) thereof in its entirety and by inserting in lieu thereof a new paragraph (1) to read as follows:

"To participate in any federally assisted lease program for housing for persons of lower income under any federal legislation, including, without limitation, Section 23 of the National Housing Act; provided, however, that such participation may take place only upon the request and approval of the governing body of the county, city or town in which any such project is to be located;"

Sec. 22. Paragraph (2) of G.S. 122A-5 is hereby amended to read as follows:

"To make or participate in the making of mortgage loans to sponsors of residential housing; provided, however, that such loans shall be made only upon the determination by the Agency that mortgage loans are not otherwise available wholly or in part from private lenders upon reasonably equivalent terms and conditions;"

Sec. 23. Paragraph (3) of G.S. 122A-5 is hereby amended to read as follows:

"To purchase or participate in the purchase and enter into commitments by itself or together with others for the purchase of mortgage loans made by mortgage lenders to sponsors of residential housing or to persons of lower income for residential housing where the Agency has given approval prior to the initial making of the loan, or where there has been no such prior approval, upon such terms and conditions requiring the proceeds thereof to be used by such mortgage lenders for the making of new mortgage loans to sponsors of residential housing or to persons of lower income for residential housing as the Agency may prescribe by regulation; provided, however, that any such purchase shall be made only upon the determination by the Agency that mortgage loans were not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions."

Sec. 24. Paragraph (4) of G.S. 122A-5 is hereby amended by deleting the entire paragraph.

Sec. 25. Paragraph (5) of G.S. renumbering the same as "(4)".

Sec. 26. Paragraph (6) renumbering the same as "(5)".

Sec. 27. Paragraph (7) of G.S. 122A-5 is hereby amended is hereby amended by renumbering the same as "(6)" and revising said paragraph to read as follows:

"To sell, at public or private sale, all or any part of any mortgage or other instrument or document securing Chapter;"

Sec. 28. Paragraph (8) of G.S. 122A-5 is hereby amended by renumbering the same as "(7)".

Sec. 29. Paragraph (9) of G.S. 122A-5 is hereby amended by renumbering the same as "(8)", and by deleting from the fourth and fifth lines the following: "construction loan, temporary loan,"

Sec. 30. Paragraph (10) of G.S. 122A-5 renumbering the same as "(9)".

Sec. 31. Paragraph (11) of G.S. 122A-5 renumbering the same as "(10)".

Sec. 32. Paragraph (12) of G.S. 122A-5 renumbering the same as "(11)".

Sec. 33. Paragraph (13) of G.S. 122A-5 renumbering the same as "(12)".

Sec. 34. Paragraph (14) of G.S. 122A-5 renumbering the same as "(13)".

Sec. 35. Paragraph (15) of G.S. 122A-5 is hereby amended by renumbering the same as "(14)" and by revising said paragraph to read as follows:

"To service or contract for the servicing of mortgage loans and to make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the Agency under this Chapter, including contracts with any person, firm, corporation, governmental agency or other entity, and each and any North Carolina governmental agency is hereby authorized to enter into contracts and otherwise cooperate with the Agency to facilitate the purposes of this Chapter;"

Sec. 36. Paragraph (16) of G.S. 122A-5 is hereby amended by renumbering the same as "(15)" and by revising the same to read as follows:

"To receive, administer and comply with the conditions and requirements respecting any appropriation or any gift, grant or donation of any property or money, including the proceeds of general obligation bonds of the State;"

Sec. 37. Paragraph (17) of G.S. 122A-5 is hereby amended by renumbering the same as "(16)".

Sec. 38. Paragraph (18) of G.S. 122A-5 is hereby amended by renumbering the same as "(17)".

Sec. 39. Paragraph (19) of G.S. 122A-5 is hereby amended by renumbering the same as "(18)".

Sec. 40. Paragraph (20) of G.S. 122A-5 is hereby amended by renumbering the same as "(19)" and by deleting the word "and" as the same appears immediately following the semicolon at the end thereof.

Sec. 41. Paragraph (21) of G.S. 122A-5 is hereby amended by renumbering the same as "(20)" and by changing the period at the end thereof to a semicolon.

Sec. 42. G.S. 122A-5 is hereby further amended by adding thereto a new paragraph to be numbered "(21)" and to read as follows:

"To purchase or to participate in the purchase and enter into commitments by itself or together with others for the purchase of federally insured securities; provided, however, that the Agency shall first determine that the proceeds of such securities will be utilized for the purpose of making new mortgage loans to sponsors of residential housing or to persons of lower income for residential housing, all as specified in regulations to be adopted by the Agency; and"

Sec. 43. G.S. 122A-5 is hereby further amended by adding thereto a new paragraph to be numbered "(22)" and to read as follows:

"To provide, or contract for the providing of, management and counseling services whenever, in the judgment of the Agency, no other satisfactory low income housing counseling service is available for occupants of rental projects for persons of lower income or for prospective homeowners of lower income; provided, however, that no such program shall be undertaken until the Agency shall have made a study of its feasibility and shall have determined that the undertaking of such program will not adversely affect other programs of the Agency"

Sec. 44. Chapter 122A of the General Statutes of North Carolina is hereby amended by adding thereto a new section to be numbered G.S. 122A-5.1 and to read as follows:

"§ 122A-5.1. Rules and Regulations Governing Agency Activity. — (a) The Agency shall from time to time adopt, modify or repeal rules and regulations governing the purchase of federally insured securities by the Agency and the purchase and sale of mortgage loans and the application of the proceeds thereof, including rules and regulations as to any or all of the following:

- (1) Procedures for the submission of requests or the invitation of proposals for the purchase and sale of mortgage loans or for the purchase of federally insured securities;

- (2) Limitations or restrictions as to the number of family units, location or other qualifications or characteristics of residences to be financed by mortgage loans and requirements as to the income limits of persons and families of lower income occupying such residences;
- (3) Restrictions as to the interest rates on mortgage loans or the return which may be realized by mortgage lenders on any mortgage loans or on the sale of federally insured securities to the Agency;
- (4) Requirements as to commitments by mortgage lenders with respect to the use of the proceeds of sale of any federally insured securities;
- (5) Schedules of any fees and charges necessary to provide for expenses and reserves of the Agency; and
- (6) Any other matters related to the duties and the exercise of the powers of the Agency to purchase and sell mortgage loans, or to purchase federally insured securities.

Such rules and regulations shall be designed to effectuate the general purposes of this Chapter and the following specific objectives: (i) the construction of decent, safe and sanitary residential housing at low prices or rentals which persons and families of lower income can afford; (ii) the rehabilitation of present lower income housing; (iii) increasing the supply of residential housing for persons and families of lower income affected by the spread of slum conditions and blight and for persons and families of lower income displaced by public action or natural disaster; (iv) the encouraging of private enterprise and investment to sponsor, build and rehabilitate residential housing for such persons and families to prevent the recurrence of slum conditions and blight and assist in their permanent elimination throughout the State; and (v) the restriction of the financial return and benefit to that necessary to protect against the realization by mortgage lenders of an excessive financial return or benefit as determined by prevailing market conditions.

(b) The interest rate or rates and other terms of federally insured securities or mortgage loans purchased from the proceeds of any issue of bonds of the Agency shall be at least sufficient to assure the payment of said bonds and the interest thereon as the same become due from the amounts received by the Agency in repayment of such federally insured securities or such loans and interest thereon.

(c) The Agency shall require as a condition of the purchase of federally insured securities from a mortgage lender and the purchase or the making of a commitment to purchase mortgage loans from a mortgage lender that such mortgage lender shall on or prior to the 90th day (or such earlier day as shall be prescribed by rules and regulations of the Agency) following the receipt of the loan or sale proceeds have entered into written commitments to make, and shall thereafter proceed as promptly as practicable to make from such loan or sale proceeds, residential mortgage loans having a stated maturity of not less than 20 years from the date thereof in an aggregate principal amount equal to the amount of such prior loan and the Agency shall not purchase nor make commitment to purchase mortgage loans, federally insured securities or other obligations from a mortgage lender from which it has previously purchased mortgage loans or federally insured securities unless said mortgage lender has either restored or made commitments to restore to its portfolio of mortgage loans in the State, mortgage loans having a stated maturity of not less than 20 years from the date thereof in an aggregate principal amount equal to either the proceeds of prior sale or the amount of prior loan to said mortgage lender and has provided evidence satisfactory to it of the making of such new mortgage loans."

Sec. 45. Chapter 122A of the General Statutes of North Carolina is hereby amended by adding thereto a new section to be numbered G.S. 122A-5.2 and to read as follows:

"§ 122A-5.2. **Mortgage insurance authority.** — (a) The Agency may upon application of a proposed mortgagee insure and make advance commitments to insure payments required by a

loan for residential housing for persons of lower income upon such terms and conditions as the Agency may prescribe. Mortgage loans insured by the Agency under this Chapter may provide financing for related ancillary facilities to the extent permitted by applicable Agency regulations. Mortgage loans insured by the Agency under this Chapter shall be secured by a first mortgage.

The aggregate principal amount of all mortgages so insured by the Agency under this Chapter and outstanding at any one time shall not exceed ten times the average annual balance for the preceding calendar year of funds on deposit in the housing mortgage insurance fund, the creation of which is hereby authorized. The aggregate amount of principal obligations of all mortgages so insured shall not be deemed to constitute a debt, liability or obligation of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any such political subdivision, but shall be payable solely from monies on deposit to the credit of the housing mortgage insurance fund. Any contract of insurance executed by the Agency under this section shall be conclusive evidence of eligibility for such mortgage insurance and the validity of any contract of insurance so executed or of an advance commitment to issue such shall be incontestable in the hands of a mortgagee from the date of execution of such contract or commitment, except for fraud or misrepresentation on the part of such mortgagee and, as to commitments to insure, noncompliance with the terms of the advance commitment or Agency regulations in force at the time of issuance of the advance commitment.

(b) For mortgage payments to be eligible for insurance under the provisions of this Chapter, the underlying mortgage loan shall: (1) Be one which is made and held by a mortgagee approved by the Agency as responsible and able to service the mortgage properly; (2) Not exceed (a) ninety percent of the estimated cost of the proposed housing if owned or to be owned by a profit-making sponsor or (b) one hundred percent of the estimated cost of such proposed housing if owned or to be owned by a nonprofit housing sponsor or, if owned by a person or family of lower income, in the case of a single family dwelling or condominium; (3) Have a maturity satisfactory to the Agency but in no case longer than eighty percent of the Corporation's estimate of the remaining useful life of said housing or 40 years from the date of the issuance of insurance, whichever is earlier; (4) Contain amortization provisions satisfactory to the Agency requiring periodic payments by the mortgagor not in excess of his ability to pay as determined by the Agency; (5) Be in such form and contain such terms and provisions with respect to maturity, property insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, equitable and legal redemption rights, prepayment privileges and other matters as the Agency may prescribe.

(c) All applications for mortgage insurance shall be forwarded, together with an application fee prescribed by the Agency, to the executive director of the Agency. The Agency shall cause an investigation of the proposed housing to be made, review the application and the report of the investigation, and approve or deny the application. No application shall be approved unless the Agency finds that it is consistent with the purposes of this Chapter and further finds that the financing plan for the proposed housing is sound. The Agency shall notify the applicant and the proposed lender of its decision. Any such approval shall be conditioned upon payment to the Agency, within such reasonable time and after notification of approval as may be specified by the Agency, of the commitment fee prescribed by the Agency.

(d) The Agency shall fix mortgage insurance premiums for the insurance of mortgage payments under the provision of this Chapter. Such premiums shall be computed as a percentage of the principal of the mortgage outstanding at the beginning of each mortgage year, but shall not be more than one-half of one percent per year of such principal amount. The amount of premium need not be uniform for all insured loans. Such premiums shall be payable by mortgagors or mortgagees in such manner as prescribed by the Agency.

(e) In the event of default by the mortgagor, the mortgagee shall notify the Agency both of the default and the mortgagee's proposed course of action. When it appears feasible, the Agency may for a temporary period upon default or threatened default by the mortgagor authorize mortgage payments to be made by the Agency to the mortgagee which payments shall be repaid under such conditions as the Agency may prescribe. The Agency may also agree to revised terms of financing when such appear prudent. The mortgagee shall be entitled to receive the benefits of the insurance provided herein upon: (1) Any sale of the mortgaged property by court order in foreclosure or a sale with the consent of the Agency by the mortgagor or a subsequent owner of the property or by the mortgagee after foreclosure or acquisition by deed in lieu of foreclosure, provided all claims of the mortgagee against the mortgagor or others arising from the mortgage, foreclosure, or any deficiency judgment shall be assigned to the Agency without recourse except such claims as may have been released with the consent of the Agency; or (2) the expiration of six months after the mortgagee has taken title to the mortgaged property under judgment of strict foreclosure, foreclosure by sale or other judicial sale, or under a deed in lieu of foreclosure if during such period the mortgagee has made a bona fide attempt to sell the property, and thereafter conveys the property to the Agency with an assignment, without recourse, to the Agency of all claims of the mortgagee against the mortgagor or others arising out of the mortgage foreclosure, or deficiency judgment; or (3) the acceptance by the Agency of title to the property or an assignment of the mortgage, without recourse to the Agency, in the event the Agency determines it imprudent to proceed under (1) or (2) above. Upon the occurrence of either (1), (2) or (3) hereof, the obligation of the mortgagee to pay premium charges for insurance shall cease, and the Agency shall, within 30 days thereafter, pay to the mortgagee ninety-eight percent (98%) of the sum of (a) the then unpaid principal balance of the insured indebtedness, (b) the unpaid interest to the date of conveyance or assignment to the Agency, as the case may be, (c) the amount of all payments made by the mortgagee for which it has not been reimbursed for taxes, insurance, assessments and mortgage insurance premiums, and (d) such other necessary fees, costs or expenses of the mortgagee as may be approved by the Agency.

(f) Upon request of the mortgagee, the Agency may at any time, under such terms and conditions as it may prescribe, consent to the release of the mortgagor from his liability or consent to the release of parts of the property from the lien of the mortgage, or approve a substitute mortgagor or sale of the property or part thereof.

(g) No claim for the benefit of the insurance provided in this Chapter shall be accepted by the Agency except within one year after any sale or acquisition of title of the mortgaged premises described in subdivisions (1) or (2) of subparagraph (e) of this section.

(h) There shall be paid into the housing mortgage insurance fund (1) all premiums received by the Agency for the granting of such mortgage insurance, (2) any monies or other assets received by the Agency as a result of default or delinquency on mortgage loans insured by the Agency, including any proceeds from the sale or lease of real property, (3) any monies appropriated and made available by the State for the purpose of such fund."

Sec. 46. G.S. 122A-6 is hereby amended by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 47. G.S. 122A-7 is hereby amended by deleting the entire section.

Sec. 48. G.S. 122A-8 is hereby amended by renumbering the same as G.S. 122A-7 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 49. G.S. 122A-9 is hereby amended by renumbering the same as G.S. 122A-8 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency", and by deleting from the eighth line the following: "Construction loans, temporary loans,".

Sec. 50. G.S. 122A-10 is hereby amended by renumbering the same as G.S. 122A-9 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 51. G.S. 122A-11 is hereby amended by renumbering the same as G.S. 122A-10 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 52. G.S. 122A-12 is hereby amended by renumbering the same as G.S. 122A-11 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 53. G.S. 122A-13 is hereby amended by renumbering the same as G.S. 122A-12.

Sec. 54. G.S. 122A-14 is hereby amended by renumbering the same as G.S. 122A-13.

Sec. 55. G.S. 122A-15 is hereby amended by renumbering the same as G.S. 122A-14 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 56. G.S. 122A-16 is hereby amended by renumbering the same as G.S. 122A-15 and by revising the same to read as follows:

"The Finance Committee of the House of Representatives and the Finance Committee of the Senate shall exercise continuing oversight of the Agency in order to assure that the Agency is effectively fulfilling its statutory purpose; provided, however, that nothing in this act shall be construed as required by the Agency to receive legislative approval for the exercise of any of the powers granted by this act. The Agency shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Governor, State Treasurer, State Auditor, the aforementioned committees of the General Assembly, the Advisory Budget Commission and the Local Government Commission. Each such report shall set forth a complete operating and financial statement of the Agency during such year. The Agency shall cause an audit of its books and accounts to be made at least once in each year by an independent certified public accountant and the cost thereof may be paid from any available monies of the Agency."

Sec. 57. G.S. 122A-17 is hereby amended by renumbering the same as G.S. 122A-16 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 58. G.S. 122A-18 is hereby amended by renumbering the same as G.S. 122A-17 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 59. G.S. 122A-19 is hereby amended by renumbering the same as G.S. 122A-18 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 60. G.S. 122A-20 is hereby amended by renumbering the same as G.S. 122A-19 and by deleting the word "Corporation" wherever the same appears and inserting in lieu thereof the word "Agency".

Sec. 61. G.S. 122A-21 is hereby amended by renumbering the same as G.S. 122A-20.

Sec. 62. G.S. 122A-22 is hereby amended by renumbering the same as G.S. 122A-21.

Sec. 63. G.S. 122A-23 is hereby amended by renumbering the same as G.S. 122A-22.

Sec. 64. All appointments to the North Carolina Housing Finance Agency Board of Directors shall be made within 60 days of the ratification of this act.

Sec. 65. The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Sec. 66. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 11th day of April, 1974.