

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 784
SENATE BILL 685

AN ACT TO AMEND THE HOUSING AUTHORITIES LAW, ARTICLE 1 OF CHAPTER 157 OF THE GENERAL STATUTES, WITH RESPECT TO G.S. 157-9, G.S. 157-15, G.S. 157-17, G.S. 157-25 AND G.S. 157-26 THEREOF.

The General Assembly of North Carolina enacts:

Section 1. The fifth sentence of the second paragraph of G.S. 157-9 is hereby rewritten to read as follows:

"Any corporate agent, (i) all of the stock of which shall be owned by the authority or its nominee or nominees or (ii) the board of directors of which shall be elected or appointed by the authority or is composed of the commissioners of the authority or (iii) which is otherwise subject to the control of the authority or the governmental entity which created the authority, may to the extent permitted by law exercise any of the powers conferred upon the authority herein."

Sec. 2. The first sentence of the second paragraph of G.S. 157-15 is hereby rewritten to read as follows:

"The bonds may be sold at public or private sale; provided, however, that no public sale shall be held unless notice thereof is published once at least 10 days prior to such sale in a newspaper having a general circulation in the city in which the authority is located and in a financial newspaper published in the City of New York, New York, or in the City of Chicago, Illinois."

Sec. 3. G.S. 157-17 is hereby rewritten to read as follows:

"§ 157-17. Power to mortgage when project financed with governmental aid. — In connection with the interim or permanent financing of any project to be permanently financed in whole or in part by a government, or the permanent financing of which is to be secured by a pledge of a government commitment for rental assistance payments, the authority shall also have the power, subject to the consent or approval of any government providing such financing or making such commitment for rental assistance payments, to mortgage all or any part of its property, real or personal, then owned or thereafter acquired, and thereby:

- (1) To vest in a government the right, upon the happening of an event of default (as defined in such mortgage), to foreclose such mortgage through judicial proceedings or through the exercise of a power of sale without judicial proceedings, so long as a government shall be the holder of any of the bonds secured by such mortgage.
- (2) To vest in a trustee or trustees the right, upon the happening of an event of default (as defined in such mortgage), to foreclose such mortgage through judicial proceedings or through the exercise of a power of sale without judicial proceedings.
- (3) To vest in other obligees the right to foreclose such mortgage by judicial proceedings.
- (4) To vest in an obligee, including a government, the right in foreclosing any mortgage as aforesaid, to foreclose such mortgage as to all or such part or parts of the property covered thereby as such obligee (in its absolute

discretion) shall elect; the institution, prosecution and conclusion of any such foreclosure proceedings and/or the sale of any such parts of the mortgaged property shall not affect in any manner or to any extent the lien of the mortgage on the parts of the mortgaged property not included in such proceedings or not sold as aforesaid."

Sec. 4. G.S. 157-25 is hereby rewritten by adding the words "or by rental assistance payments under any other section of said act, as amended," following the words "as amended," in the sixteenth line of the first sentence thereof.

Sec. 5. The third sentence of G.S. 157-26 is hereby rewritten to read as follows:

"Bonds, notes, debentures and other evidences of indebtedness of an authority (including any corporate agent thereof authorized by this Article to exercise the powers of the authority) heretofore or hereafter issued are declared to be issued for a public purpose and to be public instrumentalities and, together with the interest thereon, shall be exempt from taxes."

Sec. 6. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 28th day of June, 1977.