

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 952

Short Title: Comprehensive Capital for Childcare Expansion. (Public)

Sponsors: Representatives Helfrich, Crawford, Turner, and Rubin (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Rules, Calendar, and Operations of the House

April 14, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH THE NORTH CAROLINA CHILD CARE FINANCE AGENCY.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1.(a) The General Statutes are amended by adding a new Chapter to read:

5 **"Chapter 122F.**

6 **"North Carolina Child Care Finance Agency.**

7 **"§ 122F-1. Short title.**

8 This Chapter shall be known and may be cited as the "North Carolina Child Care Finance  
9 Agency Act."

10 **"§ 122F-2. Legislative findings and purposes.**

11 (a) The General Assembly hereby finds and declares the following:

12 (1) That there exists in the State of North Carolina a serious shortage of accessible  
13 and affordable child care. This statewide shortage severely impacts the State's  
14 workforce and economy and is inimical to the health, safety, welfare and  
15 prosperity of all residents of the State and to the sound growth of North  
16 Carolina's economy.

17 (2) That private enterprise and investment have not been able to produce, without  
18 assistance, the needed supply or rehabilitation of child care facilities to  
19 provide sufficient child care for the State's workforce, including low-income  
20 families. It is imperative that the supply of child care for families be increased;  
21 and that private enterprise and investment be encouraged to sponsor, build,  
22 rehabilitate, and operate child care for families to remove barriers to  
23 employment and to foster health development for children.

24 (3) That the purposes of this Chapter are to provide financing for child care  
25 construction, new or rehabilitated, for individuals providing high-quality child  
26 care to families.

27 (4) That faith-based organizations are eligible for financing for child care  
28 construction that provides high-quality child care.

29 (5) That businesses that make child care accessible to the their employees are  
30 eligible for financing for child care construction that provides high-quality  
31 child care.

32 (b) In accomplishing these public purposes, the North Carolina Child Care Finance  
33 Agency, a public agency and an instrumentality of the State, is acting in all respects for the benefit  
34 of the people of the State in the performance of essential public functions and serves a public  
35 purpose in improving and otherwise promoting their health, welfare and prosperity. The North



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1 Carolina Child Care Finance Agency is empowered to act on behalf of the State of North Carolina  
2 and its people in serving this public purpose for the benefit of the general public.

3 (c) Whenever feasible, the North Carolina Child Care Finance Agency shall prioritize the  
4 following policy goals in its actions:

- 5 (1) Give first priority in its programs to assisting child care providers with fewer  
6 than 10 facilities.
- 7 (2) Undertake its programs in the areas where the greatest child care needs exists.
- 8 (3) Give priority to projects for child care facilities with licenses that indicate  
9 high-quality child care, as determined by the North Carolina Child Care  
10 Commission.
- 11 (4) Incentivize child-care providers, including faith-based organizations, to  
12 provide full-day child care.
- 13 (5) Encourage private employers to provide on-site child care to employees, and  
14 provide advising on information for research-based solutions, including  
15 methods and guides to financing facilities and child care providers as partners.
- 16 (6) Encourage apprenticeships with community colleges and other institutions of  
17 higher education for child care workers.

18 **§ 122F-3. Definitions.**

19 The following definitions apply in this Chapter:

- 20 (1) Agency. – The North Carolina Child Care Finance Agency created by this  
21 Chapter.
- 22 (2) Bonds or notes. – The bonds or the bond anticipation notes or construction  
23 loan notes authorized to be issued by the Agency under this Chapter.
- 24 (3) Child care facility. – As defined in G.S. 110-86. For the purposes of this  
25 chapter, a child care facility does not include a residential dwelling where  
26 child care is provided.
- 27 (4) Construction loan. – A loan made by a lending institution or by the Authority  
28 to any person for the purpose of financing construction of a child care facility.
- 29 (5) Federally insured securities. – An evidence of indebtedness secured by a first  
30 mortgage lien on child care centers and insured or guaranteed as to repayment  
31 of principal and interest by the United States or any agency or instrumentality  
32 thereof.
- 33 (6) Governmental agency. – Any department, division, public agency, political  
34 subdivision, or other public instrumentality of the State, the federal  
35 government, any other State or public agency, or any two or more thereof.
- 36 (7) Mortgage or mortgage loan. – A mortgage loan for child care facilities,  
37 including, without limitation, a mortgage loan to finance, either temporarily  
38 or permanently, the construction, rehabilitation, improvement, or acquisition  
39 and rehabilitation or improvement of a child care facility and a mortgage loan  
40 insured or guaranteed by the United States or an instrumentality thereof or for  
41 which there is a commitment by the United States or an instrumentality thereof  
42 to insure such a mortgage. A mortgage obligation may be evidenced by a  
43 security document and secured by a lien upon real property, including a deed  
44 of trust and land sale agreement.
- 45 (8) Mortgage lenders. – Any bank or trust company, savings bank, national  
46 banking association, savings and loan association, or building and loan  
47 association, life insurance company, mortgage banking company, the federal  
48 government, and any other financial institution authorized to transact business  
49 in the State.

- 1           (9)   Mortgagee. – The owner of a beneficial interest in a mortgage loan, the  
2           servicer for the owner of a beneficial interest in a mortgage loan, or the trustee  
3           for a securitized trust that holds title to a beneficial interest in a mortgage loan.  
4           (10)   Obligations. – Any bonds or bond anticipation notes authorized to be issued  
5           by the Agency under the provisions of this Chapter.  
6           (11)   Rehabilitation. – The renovation or improvement of a child care facility by the  
7           owner or operator of that facility.  
8           (12)   Rehabilitation loan. – A loan made by a lending institution or by the Authority  
9           to any person for the purpose of financing renovation of a child care facility.  
10          (13)   State. – The State of North Carolina.

11 **§ 122F-4. North Carolina Child Care Finance Agency.**

12       (a)   There is hereby created a body politic and corporate to be known as "North Carolina  
13 Child Care Finance Agency" which shall be constituted a public agency and an instrumentality  
14 of the State for the performance of essential public functions.

15       (b)   The Agency shall be governed by a board of directors composed of 12 members for  
16 a term of four years beginning July 1. The directors of the Agency shall be residents of the State  
17 and shall not hold other public office.

18       (c)   The Agency shall be appointed as follows:

19           (1)   Six members appointed by the Governor as follows:

20               a.   One member with experience in workforce needs.

21               b.   One member with experience as a licensed child care provider.

22               c.   One member with experience as a specialist in child care licensure.

23               d.   One member with experience in construction of child care facilities.

24               e.   One member with experience in commercial small business lending.

25               f.   One member with experience in real estate development.

26           (2)   Three members appointed by the General Assembly upon the  
27 recommendation of the President Pro Tempore of the Senate as follows:

28               a.   One member with experience with a savings and loan institution.

29               b.   One member with experience as a licensed child care provider.

30               c.   One member with experience in construction lending.

31           (3)   Three members appointed by the General Assembly upon the  
32 recommendation of the Speaker of the House of Representatives as follows:

33               a.   One member with experience with a mortgage-servicing institution.

34               b.   One member with experience as a licensed child care provider.

35               c.   One member with experience in a business that makes on-site child  
36 care available to employees.

37       (d)   Any vacancy for a person appointed under subdivision (1) of section (c) of this section  
38 shall be filled by appointment of the Governor for the remainder of the unexpired term. Any  
39 appointment by the General Assembly shall be made in accordance with G.S. 120-121 and  
40 vacancies in those appointments shall be filled in accordance with G.S. 120-122.

41       (e)   Any member of the board of directors shall be eligible for reappointment. Each  
42 member of the board of directors may be removed by the Governor for misfeasance, malfeasance,  
43 or neglect of duty after reasonable notice and a public hearing, unless the same are in writing  
44 expressly waived. Each member of the board of directors before entering upon the duties shall  
45 take an oath of office to administer the duties of the office faithfully and impartially, and a record  
46 of such oath shall be filed in the office of the Secretary of State.

47       (f)   The Governor shall designate from among the members of the Board a chair and a  
48 vice-chair. The terms of the chair and vice-chair shall extend to the earlier of either two years or  
49 the date of expiration of their then current terms as members of the Board of Directors of the  
50 Agency. The Agency shall exercise all of its prescribed statutory powers independently of any  
51 principal State Department except as described in this Chapter.

1        (g) The Executive Director of the Agency shall be appointed by the Board of Directors,  
2 subject to approval by the Governor. All staff and employees of the Agency shall be appointed  
3 by the Executive Director, subject to approval by the Board of Directors; shall be eligible for  
4 participation in the State Employees' Retirement System; and shall be exempt from the provisions  
5 of the North Carolina Human Resources Act. All employees other than the Executive Director  
6 shall be compensated in accordance with the salary schedules adopted pursuant to the North  
7 Carolina Human Resources Act. The salary of the Executive Director shall be fixed by the Board  
8 of Directors. The salary of the Executive Director and all staff and employees of the Agency shall  
9 not be subject to any limitations imposed pursuant to any salary schedule adopted pursuant to the  
10 terms of the North Carolina Human Resources Act. The Board of Directors shall, subject to the  
11 approval of the Governor, elect and prescribe the duties of any other officers it finds necessary  
12 or advisable, and the Board of Directors shall fix the compensation of these officers.

13        (h) The books and records of the Agency shall be maintained by the Agency and shall be  
14 subject to periodic review and audit by the State.

15        (i) No part of the revenues or assets of the Agency shall inure to the benefit of or be  
16 distributable to its members or officers or other private persons. The members of the Agency  
17 shall receive no compensation for their services but shall be entitled to receive, from funds of the  
18 Agency, for attendance at meetings of the Agency or any committee thereof and for other services  
19 for the Agency reimbursement for such actual expenses as may be incurred for travel and  
20 subsistence in the performance of official duties and such per diem as is allowed by law for  
21 members of other State boards, commissions and committees.

22        (j) The Executive Director shall administer, manage and direct the affairs and business  
23 of the Agency, subject to the policies, control and direction of the members of the Agency Board  
24 of Directors. The Secretary of the Agency shall keep a record of the proceedings of the Agency  
25 and shall be custodian of all books, documents and papers filed with the Agency, the minute book  
26 or journal of the Agency and its official seal. The Secretary may have copies made of all minutes  
27 and other records and documents of the Agency and may give certificates under the official seal  
28 of the Agency to the effect that such copies are true copies, and all persons dealing with the  
29 Agency may rely upon such certificates.

30        (k) Seven members of the Board of Directors of the Agency shall constitute a quorum  
31 and the affirmative vote of a majority of the members present at a meeting of the Board of  
32 Directors duly called and held shall be necessary for any action taken by the Board of Directors  
33 of the Agency, except adjournment; provided, however, that the Board of Directors may appoint  
34 an executive committee to act in behalf of said Board during the period between regular meetings  
35 of said Board, and said committee shall have full power to act upon the vote of a majority of its  
36 members. No vacancy in the membership of the Agency shall impair the rights of a quorum to  
37 exercise all the rights and to perform all the duties of the Agency.

38 **"§ 122F-5. General powers.**

39        The Agency shall have all of the powers necessary or convenient to carry out the provisions  
40 of this Chapter, including the power:

41            (1) To make or participate in the making of mortgage loans, construction loans,  
42 and rehabilitation loans to licensed child care providers for rehabilitation and  
43 construction; provided, however, that such loans shall be made only upon the  
44 determination by the Agency that mortgage loans, construction loans, and  
45 rehabilitation loans are not otherwise available wholly or in part from private  
46 lenders upon reasonably equivalent terms and conditions.

47            (2) To collect and pay reasonable fees and charges in connection with making,  
48 purchasing and servicing its loans, notes, bonds, commitments and other  
49 evidences of indebtedness.

50            (3) To acquire on a temporary basis real property, or an interest therein, in its own  
51 name, by purchase, transfer or foreclosure, where such acquisition is

- 1 necessary or appropriate to protect any loan in which the Agency has an  
2 interest and to sell, transfer and convey any such property to a buyer and, in  
3 the event such sale, transfer or conveyance cannot be effected with reasonable  
4 promptness or at a reasonable price, to rent or lease such property to a tenant  
5 pending such sale, transfer or conveyance.
- 6 (4) To sell, at public or private sale, all or any part of any mortgage or other  
7 instrument or document securing a loan of any type permitted by this Chapter.
- 8 (5) To procure insurance against any loss in connection with its operations in such  
9 amounts, and from such insurers, as it may deem necessary or desirable.
- 10 (6) To consent, whenever it deems it necessary or desirable in the fulfillment of  
11 its corporate purposes, to the modification of the rate of interest, time of  
12 payment of any installment of principal or interest, or any other terms, of any  
13 mortgage loan, mortgage loan commitment, construction loan, rehabilitation  
14 loan, contract or agreement of any kind to which the Agency is a party.
- 15 (7) To borrow money as herein provided to carry out and effectuate its corporate  
16 purposes and to issue its obligation as evidence of any such borrowing.
- 17 (8) To include in any borrowing such amounts as may be deemed necessary by  
18 the Agency to pay financing charges, interest on the obligations for a period  
19 not exceeding two years from their date, consultant, advisory and legal fees  
20 and such other expenses as are necessary or incident to such borrowing.
- 21 (9) To make and publish rules and regulations respecting its lending programs  
22 and such other rules and regulations as are necessary to effectuate its corporate  
23 purposes.
- 24 (10) To provide technical and advisory services to sponsors, builders and  
25 developers of child care facilities.
- 26 (11) To promote research and development in scientific methods of constructing  
27 low-cost child care facilities of high durability and improved safety and utility.
- 28 (12) To service or contract for the servicing of mortgage loans, construction loans,  
29 and rehabilitation loans, and to make and execute agreements, contracts and  
30 other instruments necessary or convenient in the exercise of the powers and  
31 functions of the Agency under this Chapter, including contracts with any  
32 person, firm, corporation, governmental agency or other entity, and each and  
33 any North Carolina governmental agency is hereby authorized to enter into  
34 contracts and otherwise cooperate with the Agency to facilitate the purposes  
35 of this Chapter.
- 36 (13) To receive, administer and comply with the conditions and requirements  
37 respecting any appropriation or any gift, grant or donation of any property or  
38 money, including the proceeds of general obligation bonds of the State.
- 39 (14) To sue and be sued in its own name, plead and be impleaded.
- 40 (15) To establish and maintain an office for the transaction of its business in the  
41 City of Raleigh and at such place or places as the board of directors deems  
42 advisable or necessary in carrying out the purposes of this Chapter.
- 43 (16) To adopt an official seal and alter the same at pleasure.
- 44 (17) To adopt bylaws for the regulation of its affairs and the conduct of its business  
45 and to prescribe rules, regulations and policies in connection with the  
46 performance of its functions and duties.
- 47 (18) To employ fiscal consultants, engineers, attorneys, real estate counselors,  
48 appraisers and such other consultants and employees as may be required in  
49 the judgment of the Agency and to fix and pay their compensation from funds  
50 available to the Agency therefor.

1           (19) To purchase or to participate in the purchase and enter into commitments by  
2 itself or together with others for the purchase of federally insured securities;  
3 provided, however, that the Agency shall first determine that the proceeds of  
4 such securities will be utilized for the purpose of making new mortgage loans  
5 to licensed child care providers, all as specified in regulations to be adopted  
6 by the Agency.

7           (20) To advise the Governor regarding the coordination of child care facilities.

8           (21) To acquire, hold, rent, encumber, transfer, convey, and otherwise deal with  
9 real property and utilities in the same manner as a private person or  
10 corporation, subject only to the approval of the Governor and Council of State.  
11 The Board of Directors may pledge or encumber income and assets of the  
12 Agency to secure financing for real property.

13           (22) To select and retain, subject to the approval of the Local Government  
14 Commission, the financial consultants, underwriters, and bond attorneys to be  
15 associated with the issuance of any bonds and to pay for services rendered by  
16 underwriters, financial consultants, or bond attorneys out of the proceeds of  
17 any such issue with regard to which the services were performed.

18 **§ 122F-6. Rules and regulations governing Agency activity.**

19           (a) The Agency shall from time to time adopt, modify or repeal rules and regulations  
20 governing the purchase of federally insured securities by the Agency and the purchase and sale  
21 of mortgage loans, construction loans, and rehabilitation loans and the application of the proceeds  
22 thereof, including rules and regulations as to any or all of the following:

23           (1) Procedures for the submission of requests or the invitation of proposals for the  
24 purchase and sale of mortgage loans, construction loans, rehabilitation loans,  
25 or for the purchase of federally insured securities.

26           (2) Limitations or restrictions as to the number, location, or other qualifications  
27 or characteristics of child care facilities to be financed by mortgage loans,  
28 construction loans, and rehabilitation loans.

29           (3) Restrictions as to the interest rates on mortgage loans, construction loans, and  
30 rehabilitation loans or the return which may be realized by lenders on any  
31 mortgage loans, construction loans, and rehabilitation loans, or on the sale of  
32 federally insured securities to the Agency.

33           (4) Requirements as to commitments by lenders with respect to the use of the  
34 proceeds of sale of any federally insured securities.

35           (5) Schedules of any fees and charges necessary to provide for expenses and  
36 reserves of the Agency.

37           (6) Any other matters related to the duties and the exercise of the powers of the  
38 Agency to purchase and sell mortgage loans, construction loans, and  
39 rehabilitation loans or to purchase federally insured securities.

40           Such rules and regulations shall be designed to effectuate the general purposes of this Chapter  
41 and the following specific objectives: (i) the construction of decent, safe and sanitary full day  
42 child care facilities; (ii) the rehabilitation of present child care facilities; (iii) increasing the supply  
43 and access to affordable child care for all families, regardless of income level; (iv) the  
44 encouraging of private enterprise and investment to sponsor, build and rehabilitate child care  
45 facilities; and (v) the restriction of the financial return and benefit to that necessary to protect  
46 against the realization by lenders of an excessive financial return or benefit as determined by  
47 prevailing market conditions.

48           (b) The interest rate or rates and other terms of federally insured securities or mortgage  
49 loans, construction loans, and rehabilitation loans purchased from the proceeds of any issue of  
50 bonds of the Agency shall be at least sufficient to assure the payment of said bonds and the

1 interest thereon as the same become due from the amounts received by the Agency in repayment  
2 of such federally insured securities or such loans and interest thereon.

3 (c) The Agency shall provide that mortgage loans, construction loans, and rehabilitation  
4 loans are forgivable in full after 15 years if the licensed child care provider (i) serves at least  
5 twenty-five percent (25%) more children than when the loan was received, and (ii) at least fifty  
6 percent (50%) of the children served by the child care facility receive a child care subsidy.

7 (d) The Agency shall require as a condition of the purchase of federally insured securities  
8 from a mortgage lender and the purchase or the making of a commitment to purchase mortgage  
9 loans from a mortgage lender where the Agency has not given its approval prior to the initial  
10 making of the mortgage loan that such mortgage lender shall on or prior to the  
11 one-hundred-eightieth day (or such earlier day as may be prescribed by rules and regulations of  
12 the Agency) following the receipt of the sale proceeds have entered into written commitments to  
13 make, and shall thereafter proceed as promptly as practicable to make from such sale proceeds,  
14 new mortgage loans with respect to child care facilities in the State having a stated maturity of  
15 not less than 20 years from the date thereof in an aggregate principal amount equal to the amount  
16 of such sale proceeds. The Agency shall not purchase nor make commitment to purchase  
17 mortgage loans, federally insured securities or other obligations from a mortgage lender from  
18 which it has previously purchased federally insured securities or mortgage loans initially made  
19 without such prior approval unless said mortgage lender has either made or entered into written  
20 commitments to make such new mortgage loans.

21 **"§ 122F-7. Mortgage insurance authority.**

22 (a) The Agency may upon application of a proposed mortgagee insure and make advance  
23 commitments to insure payments required by a loan for child care facilities upon such terms and  
24 conditions as the Agency may prescribe. Mortgage loans insured by the Agency under this  
25 Chapter may provide financing for related ancillary facilities to the extent permitted by applicable  
26 Agency regulations. Mortgage loans insured by the Agency under this Chapter shall be secured  
27 by a first mortgage.

28 The aggregate principal amount of all mortgages so insured by the Agency under this Chapter  
29 and outstanding at any one time shall not exceed 10 times the average annual balance for the  
30 preceding calendar year of funds on deposit in the child care mortgage insurance fund, the  
31 creation of which is hereby authorized. The aggregate amount of principal obligations of all  
32 mortgages so insured shall not be deemed to constitute a debt, liability or obligation of the State  
33 or of any political subdivision thereof or a pledge of the faith and credit of the State or of any  
34 such political subdivision, but shall be payable solely from moneys on deposit to the credit of the  
35 child care mortgage insurance fund. Any contract of insurance executed by the Agency under  
36 this section shall be conclusive evidence of eligibility for such mortgage insurance and the  
37 validity of any contract of insurance so executed or of an advance commitment to issue such shall  
38 be incontestable in the hands of a mortgagee from the date of execution of such contract or  
39 commitment, except for fraud or misrepresentation on the part of such mortgagee and, as to  
40 commitments to insure, noncompliance with the terms of the advance commitment or Agency  
41 regulations in force at the time of issuance of the advance commitment.

42 (b) For mortgage payments to be eligible for insurance under the provisions of this  
43 Chapter, the underlying mortgage loan shall:

- 44 (1) Be one which is made and held by a mortgagee approved by the Agency as  
45 responsible and able to service the mortgage properly.
- 46 (2) Not exceed ninety percent (90%) of the estimated cost of the proposed child  
47 care facility.
- 48 (3) Have a maturity satisfactory to the Agency but in no case longer than eighty  
49 percent (80%) of the Agency's estimate of the remaining useful life of said  
50 child care facility or 40 years from the date of the issuance of insurance,  
51 whichever is earlier.

1           (4)    Contain amortization provisions satisfactory to the Agency requiring periodic  
2           payments by the mortgagor not in excess of the ability to pay as determined  
3           by the Agency.

4           (5)    Be in such form and contain such terms and provisions with respect to  
5           maturity, property insurance, repairs, alterations, payment of taxes and  
6           assessments, default reserves, delinquency charges, default remedies,  
7           anticipation of maturity, additional and secondary liens, equitable and legal  
8           redemption rights, prepayment privileges and other matters as the Agency  
9           may prescribe.

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

19       (d)    The Agency shall fix mortgage insurance premiums for the insurance of mortgage  
20       payments under the provision of this Chapter. Such premiums shall be computed as a percentage  
21       of the principal of the mortgage outstanding at the beginning of each mortgage year, but shall not  
22       be more than one half of one percent (1/2 of 1%) per year of such principal amount. The amount  
23       of premium need not be uniform for all insured loans. Such premiums shall be payable by  
24       mortgagors or mortgagees in such manner as prescribed by the Agency.

25       (e)    In the event of default by the mortgagor, the mortgagee shall notify the Agency both  
26       of the default and the mortgagee's proposed course of action. When it appears feasible, the  
27       Agency may for a temporary period upon default or threatened default by the mortgagor authorize  
28       mortgage payments to be made by the Agency to the mortgagee which payments shall be repaid  
29       under such conditions as the Agency may prescribe. The Agency may also agree to revised terms  
30       of financing when such appear prudent. The mortgagee shall be entitled to receive the benefits  
31       of the insurance provided herein upon:

32           (1)    Any sale of the mortgaged property by court order in foreclosure or a sale with  
33           the consent of the Agency by the mortgagor or a subsequent owner of the  
34           property or by the mortgagee after foreclosure or acquisition by deed in lieu  
35           of foreclosure, provided all claims of the mortgagee against the mortgagor or  
36           others arising from the mortgage, foreclosure, or any deficiency judgment  
37           shall be assigned to the Agency without recourse except such claims as may  
38           have been released with the consent of the Agency; or

39           (2)    The expiration of six months after the mortgagee has taken title to the  
40           mortgaged property under judgment of strict foreclosure, foreclosure by sale  
41           or other judicial sale, or under a deed in lieu of foreclosure if during such  
42           period the mortgagee has made a bona fide attempt to sell the property, and  
43           thereafter conveys the property to the Agency with an assignment, without  
44           recourse, to the Agency of all claims of the mortgagee against the mortgagor  
45           or others arising out of the mortgage foreclosure, or deficiency judgment; or

46           (3)    The acceptance by the Agency of title to the property or an assignment of the  
47           mortgage, without recourse to the Agency, in the event the Agency determines  
48           it imprudent to proceed under subdivision (1) or (2) above.

49       Upon the occurrence of either subdivision (1), (2) or (3) hereof, the obligation of the  
50       mortgagee to pay premium charges for insurance shall cease, and the Agency shall, within 30  
51       days thereafter, pay to the mortgagee ninety-eight percent (98%) of the sum of (i) the then unpaid



1 principal balance of the insured indebtedness, (ii) the unpaid interest to the date of conveyance  
2 or assignment to the Agency, as the case may be, (iii) the amount of all payments made by the  
3 mortgagee for which it has not been reimbursed for taxes, insurance, assessments and mortgage  
4 insurance premiums, and (iv) such other necessary fees, costs or expenses of the mortgagee as  
5 may be approved by the Agency.

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

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

13 (h) There shall be paid into the child care mortgage insurance fund (i) all premiums  
14 received by the Agency for the granting of such mortgage insurance, (ii) any moneys or other  
15 assets received by the Agency as a result of default or delinquency on mortgage loans insured by  
16 the Agency, including any proceeds from the sale or lease of real property, (iii) any moneys  
17 appropriated and made available by the State for the purpose of such fund.

18 **"§ 122F-8. Terms and conditions of loans to and by lenders.**

19 (a) The Agency shall from time to time adopt, modify, amend or repeal rules and  
20 regulations governing the making of loans to lenders and the application of the proceeds thereof.  
21 These rules and regulations shall be designed to effectuate the general purposes of this Chapter  
22 and the following specific objectives: (i) the construction and renovation of decent, safe and  
23 sanitary child care facilities; (ii) the encouragement of private enterprise and investment to  
24 sponsor, build and renovate child care facilities; (iii) the increase in the supply and access to  
25 affordable child care for all families, regardless of income level; and (iv) the restriction of the  
26 financial return and benefit to the mortgage lenders from such loans to an amount that is  
27 necessary to induce their participation and that is not excessive as determined by prevailing  
28 market conditions.

29 (b) Notwithstanding any other provision of this section, the interest rate or rates and other  
30 terms of the loans to lenders made from the proceeds of any issue of bonds of the Agency shall  
31 provide that the amounts received by the Agency in repayment of the loans and interest thereon  
32 shall be at least sufficient to assure the payment of the principal of and the interest on the bonds  
33 as they become due.

34 (c) The Agency shall enter into a written agreement with each lender that shall require as  
35 a condition of each loan to such lender that the lender shall originate new mortgage loans,  
36 construction loans, and rehabilitation loans within a reasonable period of time as determined by  
37 the Agency's rules and regulations and that such new loans shall have such stated maturities as  
38 determined by the Agency's rules and regulations.

39 (d) The loans to lenders shall be general obligations of the respective lenders owing them.  
40 The Agency shall require that such loans shall be secured as to payment of both principal and  
41 interest by a pledge and lien upon collateral security. The collateral security itself shall be in such  
42 amount as the Agency determines will assure the payment of the principal of and the interest on  
43 the bonds as they become due. Collateral security shall be deemed to be sufficient if the principal  
44 of and the interest on the collateral security, when due, will be sufficient to pay the principal of  
45 and the interest on the bonds. The collateral security shall consist of any of the following items:  
46 (i) direct obligations of, or obligations guaranteed by, the State or the United States of America;  
47 (ii) bonds, debentures, notes or other evidences of indebtedness, satisfactory to the Agency,  
48 issued by any of the following federal agencies: Bank for Cooperatives, Federal Intermediate  
49 Credit Bank, Export-Import Bank of Washington, Federal Land Banks, the Government National  
50 Mortgage Association; (iii) direct obligations of or obligations guaranteed by the State; (iv)  
51 mortgages insured or guaranteed by the United States of America or an instrumentality of it as

1 to payment of principal and interest; (v) any other mortgages secured by real estate on which  
2 there is located a commercial structure, the collateral value of which shall be determined by the  
3 regulations issued from time to time by the Agency; (vii) certificates of deposit of banks or trust  
4 companies, including the trustee, organized under the laws of the United States or any state,  
5 which have a combined capital and surplus of at least fifteen million dollars (\$15,000,000); (viii)  
6 Bankers Acceptances; and (ix) commercial paper that has been classified for rating purposes by  
7 Dun & Bradstreet, Inc., as Prime-1 or by Standard & Poor's Corp. as A-1.

8 (e) The Agency may require as a condition of any loan to a lender such representations  
9 and warranties that it determines to be necessary to secure such loans and to carry out the  
10 purposes of this section.

11 **"§ 122F-9. Credit of State not pledged.**

12 Obligations issued under the provisions of this Chapter shall not be deemed to constitute a  
13 debt, liability or obligation of the State or of any political subdivision thereof or a pledge of the  
14 faith and credit of the State or of any such political subdivision, but shall be payable solely from  
15 the revenues or assets of the Agency. Each obligation issued under this Chapter shall contain on  
16 the face thereof a statement to the effect that the Agency shall not be obligated to pay the same  
17 nor the interest thereon except from the revenues or assets pledged therefor and that neither the  
18 faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged  
19 to the payment of the principal of or the interest on such obligation.

20 Expenses incurred by the Agency in carrying out the provisions of this Chapter may be made  
21 payable from funds provided pursuant to this Chapter and no liability shall be incurred by the  
22 Agency hereunder beyond the extent to which moneys shall have been so provided.

23 **"§ 122F-10. Bonds and notes.**

24 The Agency is hereby authorized to provide for the issuance, at one time or from time to time,  
25 of bonds and notes of the Agency to carry out and effectuate its corporate purposes. The Agency  
26 also is hereby authorized to provide for the issuance, at one time or from time to time of (i) bond  
27 anticipation notes in anticipation of the issuance of such bonds and (ii) construction loan notes  
28 to finance the making or purchase of mortgage loans, construction loans, and rehabilitation loans,  
29 for the construction, rehabilitation or improvement of child care facilities. The total amount of  
30 bonds, bond anticipation notes, and construction loan notes outstanding at any one time shall not  
31 exceed twelve billion dollars (\$12,000,000,000) excluding therefrom any bond anticipation notes  
32 for the payment of which bonds have been issued. The principal of and the interest on such bonds  
33 or notes shall be payable solely from the funds herein provided for such payment. Any such notes  
34 may be made payable from the proceeds of bonds or renewal notes or, in the event bond or  
35 renewal note proceeds are not available, such notes may be paid from any available revenues or  
36 assets of the Agency. The bonds or notes of each issue shall be dated and may be made  
37 redeemable before maturity at the option of the Agency at such price or prices and under such  
38 terms and conditions as may be determined by the Agency. Any such bonds or notes shall bear  
39 interest at such rate or rates as may be determined by the Local Government Commission of  
40 North Carolina with the approval of the Agency. Notes shall mature at such time or times not  
41 exceeding 10 years from their date or dates and bonds shall mature at such time or times not  
42 exceeding 43 years from their date or dates, as may be determined by the Agency. The Agency  
43 shall determine the form and manner of execution of the bonds or notes, including any interest  
44 coupons to be attached thereto, and shall fix the denomination or denominations and the place or  
45 places of payment of principal and interest, which may be any bank or trust company within or  
46 without the State. In case any officer whose signature or a facsimile of whose signature shall  
47 appear on any bonds or notes or coupons attached thereto shall cease to be such officer before  
48 the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient  
49 for all purposes the same as if that officer had remained in office until such delivery. The Agency  
50 may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The  
51 bonds or notes may be issued in coupon or in registered form, or both, as the Agency may

1 determine, and provision may be made for the registration of any coupon bonds or notes as to  
2 principal alone and also as to both principal and interest, and for the reconversion into coupon  
3 bonds or notes of any bonds or notes registered as to both principal and interest, and for the  
4 interchange of registered and coupon bonds or notes. Upon the filing with the Local Government  
5 Commission of North Carolina of a resolution of the Agency requesting that its bonds and notes  
6 be sold, such bonds or notes may be sold in such manner, either at public or private sale, and for  
7 such price as the Commission shall determine to be for the best interest of the Agency and best  
8 effectuate the purposes of this Chapter, as long as the sale is approved by the Agency.

9 The proceeds of any bonds or notes shall be used solely for the purposes for which issued  
10 and shall be disbursed in such manner and under such restrictions, if any, as the Agency may  
11 provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement  
12 hereinafter mentioned securing the same.

13 Prior to the preparation of definitive bonds, the Agency may, under like restrictions, issue  
14 interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds  
15 when such bonds shall have been executed and are available for delivery. The Agency may also  
16 provide for the replacement of any bonds or notes which shall become mutilated or shall be  
17 destroyed or lost.

18 Bonds or notes may be issued under the provisions of this Chapter without obtaining, except  
19 as otherwise expressly provided in this Chapter, the consent of any department, division,  
20 commission, board, body, bureau or agency of the State, and without any other proceedings or  
21 the happening of any conditions or things other than those proceedings, conditions or things  
22 which are specifically required by this Chapter and the provisions of the resolution authorizing  
23 the issuance of such bonds or notes or the trust agreement securing the same.

24 **"§ 122F-11. Trust agreement or resolution.**

25 In the discretion of the Agency any obligations issued under the provisions of this Chapter  
26 may be secured by a trust agreement by and between the Agency and a corporate trustee, which  
27 may be any trust company or bank having the powers of a trust company within or without the  
28 State. Such trust agreement or the resolution providing for the issuance of such obligations may  
29 pledge or assign all or any part of the revenues or assets of the Agency, including, without  
30 limitation, mortgage loans, construction loans, rehabilitation loans, mortgage loan commitments,  
31 contracts, agreements and other security or investment obligations, the fees or charges made or  
32 received by the Agency, the moneys received in payment of loans and interest thereon and any  
33 other moneys received or to be received by the Agency. Such trust agreement or resolution may  
34 contain such provisions for protecting and enforcing the rights and remedies of the holders of  
35 any such obligations as may be reasonable and proper and not in violation of law, including  
36 covenants setting forth the duties of the Agency in relation to the purposes to which obligation  
37 proceeds may be applied, the disposition or pledging of the revenues or assets of the Agency, the  
38 terms and conditions for the issuance of additional obligations, and the custody, safeguarding  
39 and application of all moneys. It shall be lawful for any bank or trust company incorporated under  
40 the laws of the State which may act as depository of the proceeds of obligations, revenues or  
41 other money hereunder to furnish such indemnifying bonds or to pledge such securities as may  
42 be required by the Agency. Any such trust agreement or resolution may set forth the rights and  
43 remedies of the holders of any obligations and of the trustee, and may restrict the individual right  
44 of action by any such holders. In addition to the foregoing, any such trust agreement or resolution  
45 may contain such other provisions as the Agency may deem reasonable and proper for the  
46 security of the holders of any obligations. All expenses incurred in carrying out the provisions of  
47 such trust agreement or resolution may be paid from the revenues or assets pledged or assigned  
48 to the payment of the principal of and the interest on obligations or from any other funds available  
49 to the Agency.

50 **"§ 122F-12. Validity of any pledge.**

1       The pledge of any assets or revenues of the Agency to the payment of the principal of or the  
2 interest on any obligations of the Agency shall be valid and binding from the time when the  
3 pledge is made and any such assets or revenues shall immediately be subject to the lien of such  
4 pledge without any physical delivery thereof or further act, and the lien of any such pledge shall  
5 be valid and binding as against all parties having claims of any kind in tort, contract or otherwise  
6 against the Agency, irrespective of whether such parties have notice thereof. Nothing herein shall  
7 be construed to prohibit the Agency from selling any assets subject to any such pledge except to  
8 the extent that any such sale may be restricted by the trust agreement or resolution providing for  
9 the issuance of such obligations.

10 **"§ 122F-13. Trust funds.**

11       Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to  
12 the authority of this Chapter shall be deemed to be trust funds to be held and applied solely as  
13 provided in this Chapter. The resolution authorizing any obligations or the trust agreement  
14 securing the same may provide that any of such moneys may be temporarily invested pending  
15 the disbursement thereof and shall provide that any officer with whom, or any bank or trust  
16 company with which, such moneys shall be deposited shall act as trustee of such moneys and  
17 shall hold and apply the same for the purposes hereof, subject to such regulations as this Chapter  
18 and such resolution or trust agreement may provide.

19       Any moneys received pursuant to the authority of this Chapter and any other moneys  
20 available to the Agency for investment may be invested:

- 21       (1)   As provided in G.S. 159-30, except that for purposes of G.S. 159-30(b) the  
22           Agency may deposit moneys at interest in banks or trust companies outside as  
23           well as in this State, as long as any moneys at deposit outside this State are  
24           collateralized to the same extent and manner as if at deposit in this State.
- 25       (2)   In evidences of ownership of, or fractional undivided interests in, future  
26           interest and principal payments on either direct obligations of the United  
27           States government or obligations the principal of and the interest on which are  
28           guaranteed by the United States government, which obligations are held by a  
29           bank or trust company organized and existing under the laws of the United  
30           States of America or any state in the capacity of custodian.
- 31       (3)   In repurchase agreements with respect to (i) direct obligations of the United  
32           States government, (ii) obligations the principal of and the interest on which  
33           are guaranteed by the United States government, or (iii) obligations described  
34           in G.S. 159-30(c)(2), (3), (6), or (7), if all of the following conditions are met:
- 35           a.   The repurchase agreement is entered into with an institution whose  
36           ability to pay its unsecured long-term obligations (including, if the  
37           institution is an insurance company, its claims paying ability) is rated  
38           in one of the two highest ratings categories by a nationally recognized  
39           securities rating agency. If the term of the repurchase agreement is for  
40           a period of one year or less, however, the repurchase agreement may  
41           be entered into with an institution that does not have such a long-term  
42           rating if its ability to pay its unsecured short-term obligations is rated  
43           in one of the two highest ratings categories by a nationally recognized  
44           securities rating agency. If the institution with which the agreement is  
45           to be entered does not meet the ratings requirement of this  
46           subparagraph, the repurchase agreement may nevertheless be entered  
47           into with the institution if the obligations of the institution under the  
48           repurchase agreement are fully guaranteed by another institution that  
49           does meet the ratings requirement of this subparagraph.
- 50           b.   The repurchase agreement provides that it shall be terminated, without  
51           penalty, if the institution with which the repurchase agreement is

1 entered or by whom the institution's obligations are guaranteed fails to  
2 maintain (i) in the event that the repurchase agreement was entered  
3 into in reliance upon the rating of the institution's long-term  
4 obligations, a rating of its long-term obligations in one of the three  
5 highest ratings categories by at least one nationally recognized  
6 securities rating agency, or (ii) in the event that the repurchase  
7 agreement was entered into in reliance upon the rating of the  
8 institution's short-term obligations, a rating of its short-term  
9 obligations in one of the two highest ratings categories by at least one  
10 nationally recognized securities rating agency. The repurchase  
11 agreement does not have to be terminated, however, if a new guarantor  
12 meeting the rating requirement set forth in subparagraph a. as the  
13 requirement necessary for the Agency to enter the repurchase  
14 agreement agrees to fully guarantee the obligations of the institution  
15 under the repurchase agreement.

16 c. The obligations that are subject to the repurchase agreement are  
17 delivered (in physical or in book entry form) to the Agency, or any  
18 financial institution serving either as trustee for obligations issued by  
19 the Agency or as fiscal agent for the Agency or the State Treasurer or  
20 are supported by a safekeeping receipt issued by a depository  
21 satisfactory to the Agency. The repurchase agreement must provide  
22 that the value of the underlying obligations shall be maintained at a  
23 current market value, calculated at least daily, of not less than one  
24 hundred percent (100%) of the repurchase price. The financial  
25 institution serving either as trustee or as fiscal agent for the Agency  
26 holding the obligations subject to the repurchase agreement hereunder  
27 or the depository issuing the safekeeping receipt shall not be the  
28 provider of the repurchase agreement.

29 d. A valid and perfected first security interest in the obligations which  
30 are the subject of the repurchase agreement has been granted to the  
31 Agency or its assignee or book entry procedures, conforming, to the  
32 extent practicable, with federal regulations and satisfactory to the  
33 agency have been established for the benefit of the Agency or its  
34 assignee.

35 e. The securities are free and clear of any adverse third-party claims.

36 f. The repurchase agreement is in a form satisfactory to the Agency.

37 **"§ 122F-14. Remedies.**

38 Any holder of obligations issued under the provisions of this Chapter or any coupons  
39 appertaining thereto, and the trustee under any trust agreement or resolution authorizing the  
40 issuance of such obligations, except to the extent the rights herein given may be restricted by  
41 such trust agreement or resolution, may, either at law or in equity, by suit, action, mandamus or  
42 other proceeding, protect and enforce any and all rights under the laws of the State or granted  
43 hereunder or under such trust agreement or resolution, or under any other contract executed by  
44 the Agency pursuant to this Chapter, and may enforce and compel the performance of all duties  
45 required by this Chapter or by such trust agreement or resolution to be performed by the Agency  
46 or by any officer thereof.

47 **"§ 122F-15. Negotiable instruments.**

48 Notwithstanding any of the foregoing provisions of this Chapter or any recitals in any  
49 obligations issued under the provisions of this Chapter, all such obligations and interest coupons  
50 appertaining thereto shall be and are hereby made negotiable instruments under the laws of this  
51 State, subject only to any applicable provisions for registration.

1 **"§ 122F-16. Obligations eligible for investment.**

2 Obligations issued under the provisions of this Chapter are hereby made securities in which  
3 all public officers and public bodies of the State and its political subdivisions, all insurance  
4 companies, trust companies, banking associations, investment companies, executors,  
5 administrators, trustees and other fiduciaries may properly and legally invest funds, including  
6 capital in their control or belonging to them. Such obligations are hereby made securities which  
7 may properly and legally be deposited with and received by any State or municipal officer or any  
8 agency or political subdivision of the State for any purpose for which the deposit of bonds, notes  
9 or obligations of the State is now or may hereafter be authorized by law.

10 **"§ 122F-17. Refunding obligations.**

11 The Agency is hereby authorized to provide for the issuance of refunding obligations for the  
12 purpose of refunding any obligations then outstanding which shall have been issued under the  
13 provisions of this Chapter, including the payment of any redemption premium thereon and any  
14 interest accrued or to accrue to the date of redemption of such obligations and, if deemed  
15 advisable by the Agency, for any corporate purpose of the Agency. The issuance of such  
16 obligations, the maturities and other details thereof, the rights of the holders thereof, and the  
17 rights, duties and obligations of the Agency in respect of the same shall be governed by the  
18 provisions of this Chapter which relate to the issuance of obligations, insofar as such provisions  
19 may be appropriate therefor.

20 Refunding obligations may be sold or exchanged for outstanding obligations issued under  
21 this Chapter and, if sold, the proceeds thereof may be applied, in addition to any other authorized  
22 purposes, to the purchase, redemption or payment of such outstanding obligations. Pending the  
23 application of the proceeds of any such refunding obligations, with any other available funds, to  
24 the payment of the principal, accrued interest and any redemption premium on the obligations  
25 being refunded, and, if so provided or permitted in the resolution authorizing the issuance of such  
26 refunding obligations or in the trust agreement securing the same, to the payment of any interest  
27 on such refunding obligations and any expenses in connection with such refunding, such  
28 proceeds may be invested in direct obligations of, or obligations the principal of and the interest  
29 on which are unconditionally guaranteed by, the United States of America which shall mature or  
30 which shall be subject to redemption by the holders thereof, at the option of such holders, not  
31 later than the respective dates when the proceeds, together with the interest accruing thereon, will  
32 be required for the purposes intended.

33 **"§ 122F-18. Oversight by committees of General Assembly; annual report; audit;**  
34 **construction of Chapter.**

35 (a) Oversight. – The Finance Committee of the House of Representatives, the Finance  
36 Committee of the Senate, and the Joint Legislative Oversight Committee on Health and Human  
37 Services shall exercise continuing oversight of the Agency in order to assure that the Agency is  
38 effectively fulfilling its statutory purpose.

39 (b) Comprehensive Report. – The Agency shall, on or before February 15 of each year,  
40 submit an annual comprehensive report of its activities for the preceding year to the Governor,  
41 the Office of State Budget and Management, State Auditor, the Local Government Commission,  
42 the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal  
43 Research Division. The comprehensive report required under this subsection shall include at least  
44 all of the following:

45 (1) The goals and objectives of the program administered by the Agency.

46 (2) The number and types of activities funded by the Agency.

47 (c) Audit. – The Agency shall cause an audit of its books and accounts to be made at least  
48 once in each year by an independent certified public accountant and the cost thereof may be paid  
49 from any available moneys of the Agency.

50 (d) Construction. – Nothing in this Chapter shall be construed as requiring the Agency to  
51 receive legislative approval for the exercise of any of the powers granted by this Chapter.

1 **"§ 122F-19. Officers not liable.**

2 No member or other officer of the Agency shall be subject to any personal liability or  
3 accountability by reason of his execution of any obligations or the issuance thereof.

4 **"§ 122F-20. Authorization to accept appropriated moneys.**

5 The Agency is authorized to accept such moneys as may be appropriated from time to time  
6 by the General Assembly for effectuating its corporate purposes including, without limitation,  
7 the payment of the initial expenses of administration and operation and the establishment of a  
8 reserve or contingency fund to be available for the payment of the principal of and the interest  
9 on any bonds or notes of the Agency.

10 **"§ 122F-21. Tax exemption.**

11 The exercise of the powers granted by this Chapter will be in all respects for the benefit of  
12 the people of the State, for their well-being and prosperity and for the improvement of their social  
13 and economic conditions, and the Agency shall not be required to pay any tax or assessment on  
14 any property owned by the Agency under the provisions of this Chapter or upon the income  
15 therefrom.

16 Any obligations issued by the Agency under the provisions of this Chapter shall at all times  
17 be free from taxation by the State or any local unit or political subdivision or other instrumentality  
18 of the State, excepting inheritance or gift taxes, income taxes on the gain from the transfer of the  
19 obligations, and franchise taxes. The interest on the obligations is not subject to taxation as  
20 income.

21 **"§ 122F-22. Conflict of interest.**

22 If any member, officer or employee of the Agency shall be interested either directly or  
23 indirectly, or shall be an officer or employee of or have an ownership interest in any firm or  
24 corporation interested directly or indirectly in any contract with the Agency, including any loan  
25 to any sponsor, builder or developer, such interest shall be disclosed to the Agency and shall be  
26 set forth in the minutes of the Agency, and the member, officer or employee having such interest  
27 therein shall not participate on behalf of the Agency in the authorization of any such contract.

28 **"§ 122F-23. Additional method.**

29 The foregoing sections of this Chapter shall be deemed to provide an additional and  
30 alternative method for the doing of the things authorized thereby and shall be regarded as  
31 supplemental and additional to powers conferred by other laws, and shall not be regarded as in  
32 derogation of any powers now existing; provided, however, that the issuance of bonds or notes  
33 under the provisions of this Chapter need not comply with the requirements of any other law  
34 applicable to the issuance of bonds or notes.

35 **"§ 122F-24. Chapter liberally construed.**

36 This Chapter, being necessary for the prosperity of the State and its inhabitants, shall be  
37 liberally construed to effect the purposes thereof.

38 **"§ 122F-25. Inconsistent laws inapplicable.**

39 Insofar as the provisions of this Chapter are inconsistent with the provisions of any general  
40 or special laws, or parts thereof, the provisions of this Chapter shall be controlling."

41 **SECTION 1.(b)** Notwithstanding the requirements of G.S. 122F-4, as enacted by  
42 this act, the initial appointments to the North Carolina Child Care Finance Agency shall be  
43 appointed to a term beginning October 1, 2025, as follows:

- 44 (1) Six members appointed by the Governor as follows:  
45 a. One member with experience in workforce needs to a two-year term  
46 expiring June 30, 2027.  
47 b. One member with experience as a licensed child care provider to a  
48 four-year term expiring June 30, 2029.  
49 c. One member with experience as a specialist in child care licensure to  
50 a two-year term expiring June 30, 2027.

- 1 d. One member with experience in construction of child care facilities to
- 2 a four-year term expiring June 30, 2029.
- 3 e. One member with experience in commercial small business lending to
- 4 a two-year term expiring June 30, 2027.
- 5 f. One member with experience in real estate development to a four-year
- 6 term expiring June 30, 2029.
- 7 (2) Three members appointed by the General Assembly upon the
- 8 recommendation of the President Pro Tempore of the Senate as follows:
- 9 a. One member with experience with a savings and loan institution to a
- 10 four-year term expiring June 30, 2029.
- 11 b. One member with experience as a licensed child care provider to a
- 12 two-year term expiring June 30, 2027.
- 13 c. One member with experience in construction lending to a four-year
- 14 term expiring June 30, 2029.
- 15 (3) Three members appointed by the General Assembly upon the
- 16 recommendation of the Speaker of the House of Representatives as follows:
- 17 a. One member with experience with a mortgage-servicing institution to
- 18 a two-year term expiring June 30, 2027.
- 19 b. One member with experience as a licensed child care provider to a
- 20 four-year term expiring June 30, 2029.
- 21 c. One member with experience in a business that makes on-site child
- 22 care available to employees to a two-year term expiring June 30, 2027.

23 **SECTION 2.** The State Treasurer shall invest three and one-half percent (3.5%) of  
24 the corpus of the North Carolina Innovation Fund with the North Carolina Child Care Finance  
25 Agency.

26 **SECTION 3.** There is appropriated from the General Fund to the Department of  
27 Administration the sum of twenty million dollars (\$20,000,000) in nonrecurring funds for the  
28 2025-2026 fiscal year for the North Carolina Child Care Finance Agency. The North Carolina  
29 Child Care Finance Agency shall use the funds as provided in G.S. 122F-20, as enacted by this  
30 act.

31 **SECTION 4.** This act is effective July 1, 2025.