

SENATE BILL No. 447

By Committee on Federal and State Affairs

2-5

1 AN ACT concerning the state treasurer; relating to powers, duties and
2 responsibilities thereof; directing the state treasurer to establish a
3 mortgage insurance program for certain individuals; establishing the
4 homes for every local protector, educator and responder act of Kansas.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. (a) Sections 1 through 6, and amendments thereto, shall be
8 known and may be cited as the homes for every local protector, educator
9 and responder act of Kansas (HELPER act of Kansas).

10 (b) As used in the HELPER act of Kansas:

11 (1) "Act" means the HELPER act of Kansas.

12 (2) "Area" means a metropolitan statistical area as established by the
13 office of management and budget. The median single-family house price
14 for an area shall be equal to the median single-family house price of the
15 county within the area that has the highest such median price.

16 (3) "First responder" means an individual who is employed full-time:

17 (A) By a state law enforcement agency of a state government, tribal
18 government or local government and, in carrying out such employment or
19 by virtue of such individual's office or other public employment, is:

20 (i) Vested by law with a duty to maintain public order or to make
21 arrests for crimes, whether that duty extends to all crimes or is limited to
22 specific crimes; or

23 (ii) authorized by law to supervise sentenced criminal offenders or
24 individuals with pending criminal charges;

25 (B) as a firefighter, paramedic, emergency medical technician,
26 emergency medical service provider, emergency service responder by a
27 fire department or emergency medical services responder unit of federal
28 government, state government, tribal government or local government; or

29 (C) as a full-time teacher by a school district or an accredited
30 nonpublic school that provides direct services to students in pre-
31 kindergarten, kindergarten or any of the grades one through 12.

32 (4) "First-time home buyer" means the same as defined in 42 U.S.C.
33 § 12704, as in effect on July 1, 2025.

34 (5) "State" means the state of Kansas.

35 (6) "Treasurer" means the state treasurer of Kansas or the treasurer's
36 designee.

1 (7) "Tribal government" means the recognized governing body of any
2 Indian or Alaska native tribe, band, nation, pueblo, village, community,
3 component band or component reservation, individually or parenthetically
4 identified in the list published most recently pursuant to section 104 of the
5 federally recognized Indian tribe list act of 1994, 25 U.S.C. 5131, that is
6 located in Kansas.

7 Sec. 2. (a) The state treasurer shall develop and implement a
8 mortgage insurance program to insure any mortgage that is eligible for
9 insurance under this act to an eligible mortgagor. The treasurer may make
10 commitments for the insurance of such mortgages prior to the date of the
11 execution or disbursement of such mortgage.

12 (b) (1) A mortgage insured under this section shall:

13 (A) Be made to an eligible mortgagor and be held by a mortgagee
14 approved by the treasurer as responsible and able to service the mortgage
15 properly; and

16 (B) involve a principal obligation, including initial service charges,
17 appraisal, inspection and other fees approved by the treasurer, in an
18 amount not to exceed the lesser of:

19 (i) For a single-family resident, 115% of the median single-family
20 house price in the area, as determined by the treasurer;

21 (ii) for a multi-family residence, the percentage of the median price
22 that bears the same ratio to such median price as the dollar amount
23 limitation provided in subclause (a), (b) or (c), respectively, bears to the
24 dollar amount limitation for a single-family residence. The dollar amount
25 limitation for a multi-family residence is:

26 (a) \$533,850 for a mortgage secured by a two-family residence;

27 (b) \$645,300 for a mortgage secured for a three-family residence; and

28 (c) \$801,950 for a mortgage secured for a four-family residence; or

29 (iii) 150% of the dollar amount limitation described in clause (ii), as
30 appropriate.

31 (C) have a maturity satisfactory to the treasurer that shall not to
32 exceed, in any event, 35 years, or 30 years if such mortgage is not
33 approved for insurance prior to construction, from the date of the
34 beginning of amortization of the mortgage;

35 (D) contain complete amortization provisions satisfactory to the
36 treasurer requiring periodic payments by the mortgagor not to exceed such
37 mortgagor's reasonable ability to pay as determined by the treasurer;

38 (E) bear interest at the rate agreed upon by the mortgagor and the
39 mortgagee, if there is an agreement;

40 (F) provide, in a manner satisfactory to the treasurer, for the
41 application of the mortgagor's periodic payments, exclusive of the amount
42 allocated to the interest and the premium charge that is required for
43 mortgage insurance, as provided in this act for the amortization of the

1 principal of the mortgage; and

2 (G) contain such terms and provisions concerning insurance, repairs,
3 alterations, payment of taxes, default, reserves, delinquency charges,
4 foreclosure proceedings, anticipation of maturity, additional and secondary
5 liens and other matters as the treasurer may prescribe.

6 (2) The dollar amount limitation in effect under paragraph (1)(B) for
7 any size residence for any area shall not exceed the least of:

8 (A) The dollar amount limitation in effect under this subsection for
9 the area on October 21, 1998; or

10 (B) 65% of the dollar amount limitation determined for a residence of
11 the applicable size; and

12 (C) 100% of the appraised value of the property.

13 (3) Notwithstanding any other provision of this subsection, the
14 treasurer may not insure, or enter into a commitment to insure, a mortgage
15 under this section that is executed by a first-time home buyer and involves
16 a principal obligation, including such initial service charges, appraisal,
17 inspection and other fees as the treasurer approves, in excess of 97% of the
18 appraised value of the property unless the mortgagor has completed a
19 program of counseling with respect to the responsibilities and financial
20 management involved in home ownership that is approved by the treasurer,
21 except that the treasurer may, in the treasurer's discretion, waive the
22 applicability of this requirement.

23 Sec. 3. (a) A mortgage insured under this act shall be used only to:

24 (1) Purchase or repair a single-family residence, including a single-
25 family dwelling unit in a condominium project, that will serve as a
26 principal residence of the mortgagor; or

27 (2) purchase a principal residence of the mortgagor that is:

28 (A) A manufactured home that will be permanently affixed to a lot
29 owned by the mortgagor and titled as real property; or

30 (B) a manufactured home and a lot to which such home will be
31 permanently affixed and titled as real property.

32 (b) Notwithstanding any provision to the contrary with regard to first-
33 time home buyers:

34 (1) The treasurer may insure any mortgage that involves an original
35 principal obligation, including allowable charges and fees and the
36 premium pursuant to section 4, and amendments thereto, in an amount not
37 to exceed 100% of the appraised value of the property involved; and

38 (2) the mortgagor of a mortgage described in subsection (a) shall not
39 be required to pay any amount in any case or its equivalent on account of
40 the property as a downpayment.

41 Sec. 4. (a) The treasurer shall establish and collect an insurance
42 premium that is a percentage of the original insured principal obligation of
43 the mortgage amount. Such insurance premium shall be:

1 (1) Collected at the time and in the form and manner established by
2 the treasurer in rules and regulations;

3 (2) in an amount that exceeds 3% of the amount of the original
4 insured principal obligation of the mortgage; and

5 (3) adjusted by the treasurer from time to time by increasing or
6 decreasing such percentages as the treasurer deems necessary, based on the
7 performance of mortgages insured under this act and market conditions.

8 (b) A mortgage insured under this act shall not be subject to a
9 monthly insurance premium.

10 Sec. 5. At the time the mortgage is executed, a mortgagor for a
11 mortgage insured under this act shall:

12 (a) Be a first-time home buyer;

13 (b) have completed a program of housing counseling provided
14 through a housing counseling agency approved by the treasurer;

15 (c) attest that such mortgagor:

16 (1) Is employed as a first responder;

17 (2) (A) has been employed as a first responder for not less than four
18 of the five years immediately preceding the date on which the mortgagor
19 applied to insure the mortgage under this act; or

20 (B) was released from employment as a first responder due to an
21 occupation-related disability resulting from such employment;

22 (3) was released from employment as a first responder and not on
23 probation or under investigation for conduct that, if determined to have
24 occurred, would be grounds for termination of employment;

25 (4) intends, in good faith, to continue as a first responder for not less
26 than one year following the date of closing on the mortgage; and

27 (5) has never been the mortgagor under another mortgage under this
28 act.

29 Sec. 6. The treasurer is authorized to adopt such rules and regulations
30 as are necessary to develop, implement and administer the HELPER act of
31 Kansas.

32 Sec. 7. This act shall take effect and be in force from and after
33 January 1, 2025, and its publication in the statute book.