§ 2425. Statement of legislative findings and purpose with respect to insurance commitments or contracts by the agency. It is hereby found that there exist in many cities, towns and villages of the state neighborhoods which are blighted, are becoming blighted or may become blighted because of substandard, insanitary, deteriorated or deteriorating conditions, including undermaintained and deteriorating housing accommodations and related retail and other community facilities.

It is further found that there exists throughout the state a seriously inadequate supply of safe, sanitary and affordable housing accommodations for persons of low income. As a result, a large portion of the state's population, including many persons of low income, must continue to reside in undermaintained and deteriorating housing accommodations. These conditions are contrary to the public interest and threaten the health, safety, welfare, comfort and security of the people of the state.

It is further found that a deficiency of mortgage financing is one of the causes of the above conditions. The unaided efforts of private enterprise have not been able to provide nor can they provide sufficient funds to refinance existing mortgage indebtedness and to undertake necessary preservation and rehabilitation of housing accommodations and related retail and other community facilities within neighborhoods which are blighted, are becoming blighted or may become blighted.

It is further found that the lack of mortgage insurance for loans to refinance existing indebtedness and to undertake necessary preservation and rehabilitation of housing accommodations and related retail and other community facilities within such neighborhoods is one reason that the available funds are not sufficient to satisfy the mortgage financing needs of such neighborhoods.

It is further found that the conditions set forth herein accelerate the deterioration of housing accommodations, related retail and other community facilities as well as the neighborhoods in which such real property is located. Uncorrected, such conditions will increase the rate

of abandonment and destruction of housing accommodations and related retail and other community facilities. Abandonment and destruction, in turn, erode the local tax base, which deprives cities, towns and villages of revenues needed for essential services such as police, sanitation and fire fighting. Failure to fund essential services could require the state to provide costly financial assistance to ameliorate the emergency conditions thus created.

It is further found that if mortgage insurance were available for loans to refinance existing indebtedness and to undertake necessary preservation and rehabilitation of housing accommodations and related retail and other community facilities, the conditions of blight within such neighborhoods could be ameliorated or averted.

It is therefore declared to be a public purpose of the state, in order to promote the preservation of neighborhoods which are blighted, are becoming blighted or may become blighted, to provide safe, sanitary and affordable housing accommodations to persons, including those of low income, who reside in such neighborhoods, and to discourage disinvestment and encourage the investment of mortgage capital in the real estate situated in such neighborhoods by authorizing the agency to insure qualified mortgage loans in such neighborhoods subject to the terms and provisions hereinafter set forth.

The necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

* Also, it is hereby found that it has become very expensive and programmatically restrictive for the agency and for other entities to purchase mortgage pool insurance coverage. It is therefore declared to be in the public interest to authorize the agency to use the mortgage insurance fund to provide mortgage pool insurance for mortgages which the agency purchases pursuant to its programs, and to provide mortgage pool insurance for certain other entities in accordance with the provisions of this title.

* NB Repealed July 23, 2027

Also, it is hereby found and declared that it is in the public

interest to facilitate the financial activities of the development corporation by providing a source or potential source of payment into funds established by such corporation for the payment of financial obligations or financial rights of such corporation under bonds or ancillary bond facilities.