

2008 Bill 208

First Session, 27th Legislature, 57 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 208

ALBERTA AFFORDABLE MORTGAGE PROTECTION ACT

MR. WEADICK

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 208

2008

ALBERTA AFFORDABLE MORTGAGE PROTECTION ACT

(Assented to _____, 2008)

WHEREAS costs associated with home ownership have risen sharply in proportion to the growing demand for housing in Alberta's prosperous economy;

WHEREAS home ownership represents a desire on the part of individuals and families not only to live and work in a community but to contribute to the development and growth of that community;

WHEREAS not all Albertans who wish to purchase homes are able to do so due to their inability to secure financing from conventional lending sources; and

WHEREAS the pride of home ownership contributes to an individual's pride and sense of accomplishment as well as values associated with commitment to communities;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) "Bill" means the Bill required to be introduced in the Assembly under section 2;
- (b) "home" means a place used by a person as a permanent private dwelling, including any structure or land adjacent to the private dwelling that is used for the convenience of or the enjoyment by the occupants of the dwelling;

- (c) “Minister” means the Minister designated by the Bill to be the Minister responsible for the Program;
- (d) “Program” means the Alberta Home Ownership Assistance Program to be established by the Bill.

Requiring Bill to establish mortgage protection

2 Not later than 15 days after the commencement of the session of the Legislature immediately following passage of this Act, a member of the Executive Council must beg leave of the Assembly to introduce a Bill to establish an Alberta Home Ownership Assistance Program for home buyers in the Province of Alberta.

Alberta Home Ownership Assistance Program

3(1) The Bill must

- (a) establish a mortgage guarantee or insurance program for first-time homebuyers who cannot obtain conventional financing but who meet the eligibility requirements to obtain guarantees or insurance from the Program to secure financing for purchasing a home;
- (b) require disclosure of all relevant financial information required to make a determination if the individual is eligible for assistance under the Program;
- (c) ensure that the Program is only available to individuals who qualify and is not available to corporations, societies or other organizations;
- (d) establish criteria for eligibility respecting who would be eligible to obtain guarantees or insurance from the Program to secure conventional financing for purchasing a house;
- (e) establish interest rates and service charges or create a mechanism for setting interest rates and service charges to be charged to participants in the Program.

(2) The Bill may provide for the Minister to make grants associated with the Program for individuals who qualify.

(3) The Bill may authorize the Lieutenant Governor in Council or the Minister to make regulations concerning the requirements in subsection (1)(b), (c), (d) or (e) for the Program or subsection (2) with respect to grants.

(4) The Bill may create an agency to administer the Program or designate an entity established by an enactment to administer the Program.

Necessary consequential amendments

4 The Bill introduced under section 2 shall make all necessary amendments to the *Financial Administration Act*, the *Alberta Housing Act* and any other statute to meet the objectives and requirements of this Act.

Reporting

5(1) In addition to the requirements in section 3, the Bill must require that a report be prepared and submitted to the Minister on the operation of the Program no later than one year after this Act comes into force and each subsequent year.

(2) The Minister must, if the Assembly is sitting, lay the report before the Assembly immediately after it is received or, if the Assembly is not sitting, within 15 days after the commencement of the next sitting.

Committee consideration

6(1) A review of the operation of the Program and the issue of affordability of housing for first-time homebuyers shall be commenced by a committee of the Assembly not later than 3 years after this Act comes into force.

(2) In conducting its review of the Program and issues identified in subsection (1), the committee may recommend changes to the legislation.

(3) A committee of the Assembly may be struck to review the matters identified in subsection (1) or the subject matter may be referred to an existing committee of the Assembly.

Coming into force

7 This Act comes into force on Proclamation.

