

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification  
District of  
Columbia  
Official Code*

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To provide, on a temporary basis, as a result of the September 11, 2001, terrorist attacks, financial assistance to residents of the District of Columbia who are District of Columbia income taxpayers and who are employees in the surface transportation, tourism, restaurant, catering, security, facility maintenance or lodging industries, or an employee of contractors that provide on-site staffing to those industries, to pay their mortgage or rental payments.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Impacted Resident Economic Assistance Temporary Act of 2001".

Sec. 2. Definitions.

Note,  
§ 32-710

For purposes of this act, the term:

(1) "Chief Financial Officer" means the Chief Financial Officer of the District of Columbia.

(2) "Guaranteed loan" means a loan or other debt obligation incurred by a qualified resident and funded by a lender using the funds provided pursuant to section 4, all or part of the principal and interest of which are guaranteed by the District pursuant to this act.

(3) "Impacted employer" means an employer in the surface transportation, tourism, restaurant, catering, security, facility maintenance or lodging industries, or a contractor that provides on-site staffing services to these industries.

(4) "Impacted resident" means either:

(A) Any employee that is a resident of the District of Columbia as of September 11, 2001, and has been:

(i) Laid-off ; or

(ii) Had a 50% reduction in his or her wages as a result of staffing and operating decisions made by their employer after September 11, 2001, and before April 1, 2002; or

(B) Any District resident taxpayer that has suffered an increase in their

household expenses due to the death or injury of a District resident member of their household pursuant to the terrorist attacks on September 11, 2001.

(5) "Income" means salary, wages, tips, hourly compensation or other remuneration for services rendered and upon which the impacted resident pays District of Columbia income tax.

(6) "Lender" means any non-federal qualified institutional buyer, as defined in SEC Rule 144A, 17 C.F.R. § 230.144A, or any other commercial lending institution designated by the Chief Financial Officer and which the District has entered into an agreement pursuant to section 4(a).

(7) "Monthly revenues" means the gross income of an impacted resident, and includes all months after and including September 2001 and before March 2002.

(8) "Monthly operating expenses" means the qualified resident's mortgage or rental payments for the qualified resident's primary residence for property located in the District for a single month.

(9) "Qualified resident" means an impacted resident who meets the criteria of section 3(a).

### Sec. 3. Qualified resident.

(a) To be eligible to receive financial assistance pursuant to this act, an impacted resident shall:

- (1) Have been a resident of the District of Columbia as of September 11, 2001;
- (2) Be a District taxpayer; and
- (3) Be engaged in the surface transportation, tourism, restaurant, catering, security, facility maintenance or lodging industries, or be an employee of a contractor that provides on-site staffing to these industries, and must have suffered a loss of monthly revenues as a direct or indirect result of the terrorist attacks on September 11, 2001.

(b) The qualified resident shall be the party primarily liable for payment of the principal and interest on the guaranteed loan.

(c) Nothing in this act shall be construed to create an entitlement to a guaranteed loan.

### Sec. 4. Guaranteed loans for qualified residents.

(a) The District shall enter into agreements with one or more lenders or financial institutions, on terms and conditions that the Chief Financial Officer, in his or her discretion, shall consider to be appropriate, pursuant to which the District shall guarantee loans to be issued by the lender to qualified residents pursuant to this act.

(b) The total amount of obligations guaranteed, by the District pursuant to this act, for qualified residents shall not exceed \$10 million.

(c) Lenders may enter into agreements with qualified residents to issue guaranteed loans pursuant to this act on terms and conditions as the lenders, in consultation with the Chief

Financial Officer, shall determine; provided that:

(1) The guaranteed loan is initially issued after September 11, 2001, and before March 9, 2002;

(2) The final maturity date of the guaranteed loan shall not be more than 10 years after the date the guaranteed loan is initially made and the obligor shall have demonstrated, to the satisfaction of the lender, an ability to repay the guaranteed loan by the maturity date;

(3) The purpose of the guaranteed loan to qualified residents, whether in a term loan or a revolving credit facility, is to pay monthly mortgages or rental payments limited to not more than the sum of the qualified resident's monthly mortgage or rental payments over the period September 1, 2001, to March 9, 2002;

(4) Guaranteed loans shall bear interest at a rate not to exceed a rate to be agreed upon between the lender and the Chief Financial Officer; provided, that in no instance shall the rate of interest for qualified residents exceed the prime rate;

(5) Guaranteed loans shall require:

(A) Collateral of the qualified resident's home for which the mortgage assistance loan is requested or other collateral for rental payment loans; and

(B) No other payment of any compensation to the District or the lender for issuing the guaranteed loan other than an up-front application fee and a loan fee payable to the lender upon issuance of the guaranteed loan in an amount not to exceed 3% of the qualified resident's monthly operating expenses; and

(6) The aggregate amount of the guaranteed loans made to any one qualified resident shall not exceed \$20,000.

#### **Sec. 5. Criteria for issuance of guaranteed loans.**

(a) Lenders shall solicit applications for guaranteed loans and shall issue guaranteed loans to qualified residents based on the merits of the impacted resident's application within 15 days after receipt of the application. In making a decision whether to issue a guaranteed loan, the lender shall consider:

(1) The impact of the closure of Reagan National Airport and the terrorist attacks on the hours worked by the impacted resident; and

(2) The economic impact of the closure of Reagan National Airport and the terrorist attacks on the impacted resident's financial resources.

(b) Qualified residents seeking guaranteed loans shall submit to the lender evidence of 3 months of monthly operating expenses, and a payroll stub demonstrating their employment on September 11, 2001.

#### **Sec. 6. Funding of guaranteed loan program.**

(a) The Chief Financial Officer may use any sums as may be necessary to fulfill the District's obligations with respect to the guaranteed loans issued pursuant to this act, subject to

the appropriation and availability of funds including the District's request for funding from the federal government for economic recovery assistance as the result of the economic impact of the events of September 11, 2001.

(b) Any lender that receives any portion of the \$10 million of District funds shall:

(1) Solicit applications from impacted residents and secondary lenders; and

(2) Use no more than 1% of the funds received to pay the expenses for administering the guaranteed loans for impacted residents, where the expenses include staffing, administration, advertising, marketing, photocopying and courier services.

(c) Nothing in this act shall be construed to create an entitlement to receipt of any or all of \$10 million from the District by a lender.

Sec. 7. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 8. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia