

a new residential dwelling that the person built; or

[(5)] (4) To any nonprofit religious or charitable organization;

(5) TO AN EMPLOYER MAKING A SECONDARY MORTGAGE LOAN TO AN EMPLOYEE; OR

(6) TO A LENDER MAKING A SECONDARY MORTGAGE LOAN TO A BORROWER WITH WHOM THE LENDER IS RELATED BY BLOOD OR MARRIAGE; AND.

(7) -- DURING -- ANY -- CALENDAR -- YEAR, -- TO -- ANY -- PERSON -- NOT ENGAGED -- IN -- THE -- BUSINESS -- OF -- MAKING -- SECONDARY -- MORTGAGE -- LOANS, -- WHO MAKES -- NOT -- MORE -- THAN -- 3 -- SECONDARY -- MORTGAGE -- LOANS -- DURING -- THAT -- YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1985.

Approved May 21, 1985.

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## CHAPTER 116

(Senate Bill 507)

AN ACT concerning

Consumer Protection - Home Improvement Law - Guaranty Fund

FOR the purpose of ~~abolishing~~ altering the existing home improvement bond requirement and instead establishing a guaranty fund in order to provide a more effective remedy for certain owners suffering actual loss as a result of certain violations of law or because of home improvement work performed in a poor or unworkmanlike manner or when it is otherwise inadequate or incomplete; providing a certain date for the termination of the existing home improvement bond requirement; requiring claimants to exhaust remedies available under a certain bond before receiving compensation from the guaranty fund; requiring home improvement contractors to pay a certain amount into the guaranty fund subject to certain limitations and under certain conditions; requiring the Home Improvement Commission to administer the guaranty fund and maintain it at not less than a certain dollar level; providing for the investment and reinvestment of moneys in the guaranty fund; establishing certain administrative procedures and requirements for recovery of moneys against the guaranty fund and providing certain limitations on payments from the fund; requiring a good faith effort to reconcile differences by a claimant prior to any payment from the fund; providing for the staying and