

HOUSING The Portland Observer

Security added to Governor's mansion

STATE BONDS SOLD Pays For Housing

Oregon's general obligation veterans' welfare bonds, \$10 million series 76 B and \$30 million series 76 C, are rated 'AA/F-1+' by Fitch Investors Service.

Additionally, the state's \$3.6 billion outstanding general obligations are affirmed at 'AA'.

The new bonds are entirely for the veterans' welfare program, which funds housing mortgage loans.

The program is self-supporting and current operations are positive, reversing the trend of some years ago when future deficits were threatened.

Some vulnerability does remain, due to interest rate sensitivity.

The new bonds are subject to mandatory tender, without any right to retain, on Feb. 1, 1998.

If not remarketed, they will be redeemed at par.

Bond proceeds will be invested until the remarketing date in noncallable direct or guaranteed obligations of the U.S. government or through an investment agreement with a provider having a rating equivalent to that of the bonds.

The investments are not pledged to the bondholder. The issue was sold on April 15 through negotiation with Bear, Stearns & Co., Inc.

The state sold \$40 million long-term bonds for the program earlier this month.

Oregon's rating is based on its low level of tax-supported debt, amounting to \$267 per capita and 1.2% of personal income, and on the vibrant economic growth of recent years, which has been reflected in favorable financial operations.

Employment in Oregon has been growing at about the 4% level since 1994 and is increasingly diversified.

Personal income in 1995 rose 7.8%, or 126% of the U.S. rate.

On a per capita basis, growth was muted by the rising population, up about 10% since 1990, or nearly double the U.S. rate.

Still, the state has improved its relative position and per capita income is now equal to 93% of the U.S. figure.

Financial operations have been favorable and general fund balance is estimated at \$536 million at June 30, 1997, well above the original budget as revenues have exceeded estimates.

Although the state has accommodated a mandated shift of school funding, financial challenges do remain as other ballot measures have mandated higher prison costs and further limits on local taxation.

The state has agreed to compensate for the school portion of tax relief resulting from the new limits.

The governor's residence in Salem, known as Mahonia Hill, has an updated security system thanks to the Oregon-Columbia Chapter of the National Electrical Contractors Association and the International Brotherhood of Electrical Workers, Local 48.

Working together, the two organizations contracted NECA/IBEW Local 48 electrical contractor Adams Electric Co. to update the high quality system.

In order to continue to ensure the safety of Gov. John Kitzhaber and his family, the contractor and electricians aren't talking about the details of the system.

"We can say that over 6,000 feet of wire has been installed on the project," said Adams Electric project manager Bob Ray.

Adams Electric designed and installed the security system after conferring with the Oregon State Police about specific requirements for the system.

Howard Morris, owner of Adams Electric, commented, "the electricians we had on this job are highly skilled and extremely knowledgeable."

They've been prepared for this kind of exacting work through their training at the Metro Electrical Training Center in northeast Portland.

"We're very pleased to have been able to provide our services to the state of Oregon," Morris said.

NECA and IBEW 48 have been involved in upgrading the general electrical systems for the governor's residence as well.

Overall refurbishment of the residence is ongoing and is being funded by a group of Oregon businesses and organizations, includ-



ing NECA and IBEW 48.

According to Timothy Gauthier, executive manager of the Oregon-Columbia chapter of NACA, and Gerald Bruce, business manager of IBEW Local 48, the two organizations are proud to have the opportunity to serve Oregon in this way.

"In the same way that we work together to benefit our customers, NECA and IBEW Local 48 partnered with each other to bring our joint expertise to the state of Oregon," said Gauthier.

Bruce added, "We're proud to have been a part of making Oregon's beautiful and historical governor's residence even better."

Burglar Alarm Secures Governor's House: Electricians and contractors from NECA-member Adams Electric Co. (from left) Paul Schroder, Danilo Brayton, Howard Morris and Rob Ray, recently designed and installed a new security system at the Oregon Governor's residence in Salem.

No Down Mortgage Loans Introduced

Mortgage Friday announced the introduction of a new 100 percent fixed-rate financing program with no down payment or mortgage insurance required on conforming and jumbo loans of up to \$333,000.

Only previous homeowners having a 12-month mortgage-payment history and an excellent credit rating are eligible to participate in the 100 percent financing program, which combines a 70 percent first mortgage with a 30 percent second mortgage.

The first mortgage is fixed for 30 years; the second mortgage may be fixed for either 10 or 15 years, or amortized over 30 years/ payable in 15 years.

Borrowers can qualify with a debt ratio of up to 45 percent, and there is no housing expense ratio.

However, borrowers must have 5 percent of the sales price or appraised value, whichever is lesser, in cash reserves prior to closing.

This reserve can be used to pay closing costs, and up to 6 percent seller contributions are allowed for nonrecurring closing costs.

This new 100 percent financing program is an enhancement of the company's popular first- and second-mortgage piggyback loan offer, which was introduced last year.

WMC Mortgage will be the new name for Weyerhaeuser Mortgage Co., which is in the final stage of being sold to WMC Acquisition Co., a joint venture of Apollo Advisors L.P. and Spring Mountain Escrow Inc., California's largest independent escrow company.

Apollo Advisors comprises investment partners who control a portfolio of more than \$5 billion and own such companies as Ralphs and Dominick's supermarkets, Samsonite Corp., Culligan Water Technologies and Converse and Florsheim shoes. The sale is expected to close on April 30.

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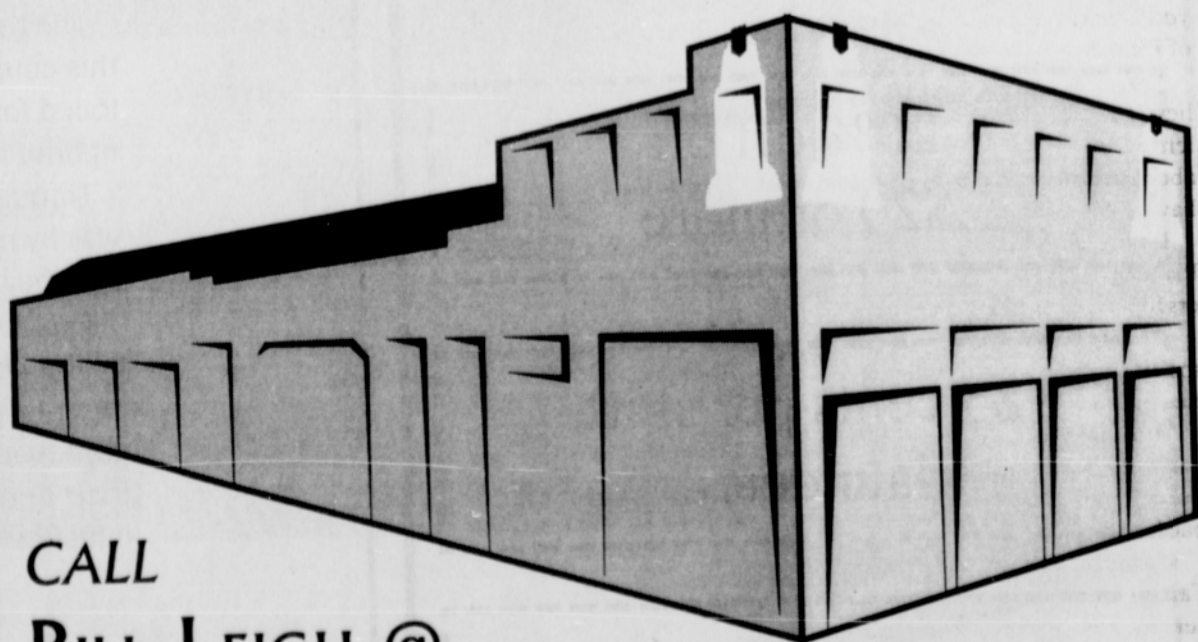
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