


# Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 779

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 1-11-82
DATE FOR REVIEW 1-20-82
DATE DUE 1-25-82

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved 1-25-82 Disapproved _____ Returned to Agency 1-26-82

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State 1-25-82 Revisor approved 1/12/82 disapproved _____

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✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 12.17.81 Date

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
N/A date of Hearing

✓ Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking
11.5.81 At least 30 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
11.9.81 At least 30/~~20~~ days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

N/A Agency's Findings of Fact no changes from rules as proposed

LCRAR Report or agency Affidavit

Certificate of Board's Resolution Adopting Rules

Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

N/A Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

N/A Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

# Office Memorandum

TO : JAMES J. SOLEM
Executive Director

DATE: January 25,1982

ATTN : Monte Aaker, Research Coordinator

FROM : Larry D. Starns
Special Assistant Attorney General

PHONE: 297-3493

SUBJECT: In the Matter of the Adoption of Rules Amending Provisions Relating to Down-payments Under the Homeownership Assistance Fund Without a Public Hearing

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

Encs.

cc: Ms. Kathy Burek
Mr. Duane Harves

LDS:drw

MINNESOTA HOUSING FINANCE AGENCY

January 7, 1982

Mr. Jerry Anderson
Special Assistant Attorney General
G-25 - Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

RE: In the Matter of the Proposed Amendment to and Adoption of Rules Governing Downpayments Under the Homeownership Assistance Fund Without a Public Hearing.

Dear Mr. Anderson:

Enclosed please find for your review pursuant to Minnesota Statutes Section 15.0412, Subdivision 4h, the adopted rules of the Minnesota Housing Finance Agency.

The following materials are submitted to you for your review pursuant to 1 MCAR § 1.203:

Rules as Adopted.

Order Adopting.

Certificate of Board's Resolution Adopting a Rule.

Order for Notice of Intent to Adopt a Rule Without Public Hearing.

Certificate of Agency's Authorizing Resolution.

Notice of Intent to Adopt a Rule Without Public Hearing.

Affidavit of Mailing Notice of Intent to Adopt a Rule Without Public Hearing.

Mailing list certificate.

Rule as Proposed.

Statement of Need and Reasonableness.

Certificate of Compliance With Rulemaking Procedures.

The Agency did not publish a Notice of Intent to Solicit Outside Opinion in connection with their rules. No requests for a hearing were received during the 30 day period.

Sincerely,

Monte Aaker

Monte Aaker
Research Coordinator

333 Sibley Street, St. Paul, Minnesota 55101 (612) 296-7608
Equal Opportunity Housing and Equal Opportunity Employment

Minnesota Housing Finance Agency

Adopted Rule Amending Provisions Relating to Downpayments under the Homeownership Assistance Fund

Rule as Adopted

12 MCAR S 3.134 Homeownership assistance fund; downpayment assistance. The agency may provide interest-free downpayment assistance loans to eligible recipients who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required downpayment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the downpayment assistance loan shall equal the amount by which the sum of the downpayment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the downpayment or $1,500.

OFFICE OF THE REVISOR OF STATUTES

Certificate of Approval of Adopted Rules

Agency: Minnesota Housing Finance Agency

Rule Numbers: 12 MCAR S 3.134

Rule Title: Adopted Rule Amending Provisions Relating to Downpayments under the Homeownership Assistance Fund

Type of Rules: Permanent X

Temporary ____

Documents Incorporated by Reference:

The attached Rules are approved as to form.

APPROVED AS TO LEGALITY
January 25, 1982
WARREN SPANNAUS, ATTORNEY GENERAL
BY Jerry D. Adams
SPECIAL ASSISTANT ATTORNEY GENERAL

Steven C. Cross
Revisor of Statutes

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN 25 1982
Joan Anderson Growe
Secretary of State
3:10 PM

Name: Ann L. Bateson
Ann L. Bateson

Title: Deputy Revisor

Phone: 296-1536

Rule as Proposed

12 MCAR S 3.134 Homeownership assistance fund; downpayment assistance. The agency may provide interest-free downpayment assistance loans to eligible recipients who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required downpayment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the downpayment assistance loan shall equal the amount by which the sum of the downpayment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the downpayment or ~~$1,000~~ $1,500.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

ALB

OFFICE OF THE REVISOR OF STATUTES
PROPOSED RULES

Agency Minnesota Housing Finance Agency

Division

Agency Contact Alan L. Hans Phone Number 6-7608

Title: Proposed Rule Amending the Amount of the Downpayment Assistance Loan from the Homeownership Assistance Fund

Type of Rules: Permanent X Temporary

Incorporations by References: None

Rule Number Material Incorporated
Author
Title
Place
Publisher
Date
Cost
Places Avilable

See Additional references on back Yes No

Duplication of Statutory Language None

Rule Number Statutory Section Duplicated

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

Name: Ann L. Bateson
Ann L. Bateson

Title: Deputy Revisor

Phone: 296-1536

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of Rules Amending Provisions Relating to Downpayments Under the Homeownership Assistance Fund Without a Public Hearing.

ORDER ADOPTING RULES

Notice of the Agency's intent to adopt the above-entitled rules without a public hearing was published in the State Register on September 28, 1981, and Notice of Correction was published in the State Register on November 9, 1981, and was sent by United States mail to all persons on the list maintained by the Agency pursuant to Minnesota Statutes section 15.0412, subdivision 4 on November 5, 1981. After affording interested and affected persons an opportunity to submit comments for 30 days after the Corrected Notice, received fewer than seven written requests for a public hearing within the 30-day comment period, reviewing and considering the comments, and determining the need for and reasonableness of the above-captioned rules.

NOW, THEREFORE, IT IS ORDERED that these rules identified as Rules of the Minnesota Housing Finance Agency Relating to the Downpayments Under the Homeownership Assistance Fund are adopted this 17th day of December, 1981 pursuant to authority vested in the Agency by Minnesota Statutes section 462A.06, subdivision 4 and 11.

James J. Solem, Executive Director

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of Rules Amending Provisions Relating to Downpayments Under the Homeownership Assistance Fund Without a Public Hearing.

CERTIFICATE OF BOARD'S RESOLUTION ADOPTING RULES

I, Arne Carlson, do hereby certify that I am Secretary of the Minnesota Housing Finance Agency, an agency duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Agency, duly and properly called and held on the 17th day of December, 1981, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the rules relating to Adoption of Rules Amending Provisions Relating to Downpayments Under the Homeownership Assistance Fund attached hereto as Exhibit A be and they hereby are approved and adopted pursuant to authority vested in us by Minnesota Statutes section 462A.06, subdivision 4 and 11 and that James J. Solem, the Executive Director of the Agency, be and hereby is authorized to sign an order adopting these rules and further is authorized to perform the necessary acts to provide that these rules shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day of December, 1981.

Chairman

Secretary

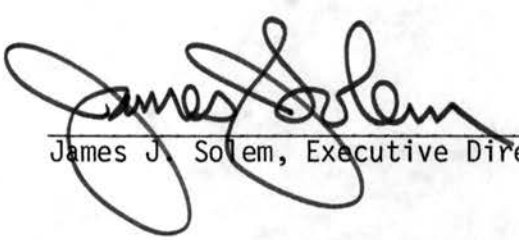
CERTIFICATE OF AGENCY'S

AUTHORIZING RESOLUTION

I, James J. Solem, do hereby certify that I am the Executive Director of the Minnesota Housing Finance Agency, an Agency duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Agency and properly called and held on the 27th day of August, 1981, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that James J. Solem, Executive Director of the Minnesota Housing Finance Agency, by and he hereby is authorized and directed to give public notice for the purpose of promulgating rules of the Minnesota Housing Finance Agency without a public hearing, said rules relating to the Downpayments Under the Homeownership Assistance Fund, as well as to perform any and all acts incidental thereto, including the signing of a notice of intent to adopt rules without a public hearing."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of August, 1981.



James J. Solem, Executive Director

Minnesota Housing Finance Agency

Notice of Correction of Publication of Proposed Adoption of Rules Amending Provisions Relating to Downpayments Under the Homeownership Assistance Fund Without a Public Hearing

The Notice of Intent of Proposed Adoption of Rules Amending Provisions Relating to Downpayments Under the Homeownership Assistance Fund Without a Public Hearing published on September 28, 1981 at 6 S.R. 536 did not include certain information required in the notice by the rules adopted by the Attorney General. Accordingly, the corrected notice is published below. The rules are identical to those printed in the original notice.

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Housing Finance Agency ("agency") proposes to adopt the above-entitled rules without a public hearing. The agency has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.041 subd. 4h(1980).

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412, subds. 4-4f. If a public hearing is requested, identification of the particular objection, the suggested modifications to the proposed language, and the reasons or data relied on to support the suggested modifications is desired.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to:

Monte Aaker, Research Coordinator

Research Division

Minnesota Housing Finance Agency

Suite 200 - Nalpak Building

333 Sibley Street

St. Paul, Minnesota 55101

Telephone (612) 296-9952

Authority for the adoption of these rules is contained in Minn. Stat. § 462A.06, subds. 4 and 11(1980). Additionally, a Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules, and that identifies the data and information relied upon to support the proposed rules, has been prepared and is available from Monte Aaker upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final rules as adopted will be delivered to a designee of the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of these rules for approval, or who wish to receive a copy of the final rules as adopted, should submit a written statement of such request to Monte Aaker.

A copy of the proposed rules is attached to this notice. Additional copies may be obtained by contacting Monte Aaker.

Please be advised that Minn Stat. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five (5) days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11(1980) as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250.00, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250.00, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 40 State Office Building, Saint Paul, Minnesota 55155, telephone (612) 296-5615.

Dated: October 26, 1981

James J. Solem

Executive Director

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of Rules Amending Provisions Relating to Down-payments Under the Homeownership Assis-tance Fund Without a Public Hearing.

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

IT IS ORDERED this 27th day of August, 1981 that a Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Minnesota Housing Finance Agency for that purpose and be published in the State Register.

MINNESOTA HOUSING FINANCE AGENCY

James J. Solem, Executive Director

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the Matter of the Adoption of Rules Amending Provisions Relating to Down-payments Under the Homeownership Assistance Fund Without a Public Hearing

AFFIDAVIT OF MAILING

Judith A. Keiser, being first duly sworn, deposes and says:

That on the 5th day of November, 1981, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached corrected Notice of Intent to Adopt Rules Without Public Hearing by depositing in the United States mail at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid on all persons and associations who have requested that their names be placed on file with the State Minnesota Housing Finance Agency for the purpose of receiving notice of the proposed adoption of rules by this Agency.

Judith A Keiser

Subscribed and sworn to before me this 5th day of November, 1981.

Kathleen J Johnson

KATHLEEN J. JOHNSON
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Comm. Expires Dec. 9, 1986

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

CERTIFICATE

In the Matter of the Adoption of Rules Amending Provisions Relating to Down-payments Under the Homeownership Assis-tance Fund Without a Public Hearing.

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I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. § 15.0412, subd. 4, that their names be placed on file with and maintained by the Minnesota Housing Finance Agency for the purpose of receiving notice of the proposed adoption of rules by this Agency is accurate and complete as of 3:00 p.m., this 5th day of November, 1981.

Judith A. Keiser

A. Estimated capital cost per million BTU of energy sold per year;

B. Benefit to the community;

C. Project plan;

D. Community commitment;

E. Thoroughness of community heatload survey;

F. Qualifications of project personnel;

G. Clarity and conciseness.

**6 MCAR § 2.4006 Agreement.** After approval by the Governor, the applicant shall enter into an agreement with the agency.

A. Contents. The agreement shall specify the grant amount and the duration of the grant. The agreement shall include assurance that the local share will be provided and that the agreed upon work program will be carried out. A grant agreement based upon a joint application must be executed by the lead applicant. Amendments and extensions may only be made in writing and must be signed by all parties.

B. Funding period. Planning grants will be approved for a period of up to one year.

C. Grant limitations. Planning grants shall not exceed 90 percent of eligible planning costs. No single grant shall exceed $20,000.

D. Disbursement schedule. Ninety percent of grant monies shall be disbursed at the outset upon receipt of invoice to the agency of project costs. The remaining ten percent shall be disbursed upon completion and receipt of a satisfactory final report.

E. Required reports. The grantee shall submit to the agency on the first of each month a report briefly stating the activities that have transpired during the month. The grantee shall provide the agency with three copies, one of which shall be a camera-ready copy, of the final preliminary planning report.

F. Records. The grantee shall maintain for a period of not less than three years from the date of the execution of the contract all records relating to the receipt and expenditures of grant monies.

G. Contract deviations. No grant funds shall be used to finance activities by consultants or local staff if the activities are not included in the grant contract, unless agreed upon in writing by the agency. Unless agreed upon by the agency, a municipality may not contract out all its energy-related activities to consultants.

**6 MCAR § 2.4007 Evaluation.**

A. Evaluation. The agency shall conduct an evaluation within 60 days of the submission by the grantee to the agency of the final report and all the required reports and financial documents. The evaluation shall assess:

1. Whether the local share contributed was equal to or greater than ten percent of the total cost of the preliminary planning project;

2. Whether the agreed-upon work program was complete;

3. Whether the governing body has formally reviewed the completed preliminary district heating plan.

B. Review. Upon completion of a satisfactory evaluation the remaining ten percent of the grant shall be disbursed to the grant recipient. If the results of the evaluation are unfavorable to the grantee and the grantee does not agree with the findings of the evaluation, the grantee may request a review by the director.

# Minnesota Housing Finance Agency

## Proposed Rules Amending Provisions Relating to Downpayments under the Homeownership Assistance Fund

### Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Housing Finance Agency ("agency") proposes to adopt the above-entitled rules without a public hearing. The agency has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412, subd. 4h(1980).

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412, subds. 4-4f. If a public hearing is requested, identification of the particular objection, the suggested modifications to the proposed language, and the reasons or data relied on to support the suggested modifications is desired.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to:

Monte Aaker, Research Coordinator
Research Division
Minnesota Housing Finance Agency
Suite 200—Nalpak Building
333 Sibley Street
St. Paul, Minnesota 55101
Telephone (612) 296-9952

September 28, 1981

James J. Solem, Executive Director

### Rule as Proposed

**12 MCAR § 3.134 Homeownership assistance fund; downpayment assistance.** The agency may provide interest-free downpayment assistance loans to eligible recipients who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required downpayment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the downpayment assistance loan shall equal the amount by which the sum of the downpayment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but i<u>t</u>shall not exceed the lesser of 50 percent of the downpayment or ~~$1,000~~ $1,500.

# Department of Labor and Industry
# Occupational Safety and Health Division

## Proposed Revisions to the Occupational Safety and Health Standards

### Request for Comment

Please take notice that Russell B. Swanson, Commissioner of the Department of Labor and Industry, has determined that the following revisions to the Occupational Safety and Health Codes shall be promulgated pursuant to Minn. Stat. § 182.655 (1980) establishing, modifying, or revoking Occupational Safety and Health Standards described below. These standards and revisions to existing standards have already been adopted by the Federal Occupational Safety and Health Administration.

Complete copies of the specific standards, changes, additions, deletions, and corrections are available by writing: Occupational Safety and Health Division, Department of Labor and Industry, 444 Lafayette Road, St. Paul, Minnesota 55101.

Interested persons are hereby afforded a period of 30 days to submit written data or comments on the rules proposed. Any interested person may file with the commissioner written objections to the proposed rules stating the grounds therefor; such person may request a public hearing on those objections.

Russell B. Swanson
Commissioner

### Rules as Proposed

**8 MCAR § 1.7001,** which adopts Federal Occupational Safety and Health Standards by reference, is hereby changed by incorporating and adopting by reference the following additions made to Title 29 of the Code of Federal Regulations, Part 1910 "Occupational Safety and Health Standards for General Industry" as published in Part II, Volume 39, No. 125 of the Federal Register on October 24, 1978 and corrected on November 7, 1978:

KEY: PROPOSED RULES SECTION — <u>Underlining</u> indicates additions to existing rule language. ~~Strike~~ ~~outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — <u>Underlining</u> indicates additions to proposed rule language. ~~Strike~~ ~~outs~~ indicate deletions from proposed rule language.

I. Required occupancy. The structure to be improved must be occupied at the time of loan closing primarily by persons and families of low and moderate income. Structures containing six rental units or fewer must be occupied by persons and families of low and moderate income in at least one of the units in the case of a one-unit or two-unit rental structure, two of the units in the case of a three-unit rental structure, three of the units in the case of a four-unit rental structure, four of the units in the case of a five-unit or six-unit rental structure, and at least 75 percent of the rental units in the case of rental structures containing more than six units.

**12 MCAR § 3.054 Eligible improvements.**

A. Restrictions in general. Improvements made with rental rehabilitation loan proceeds shall be in compliance with 1.-3.

1. The structure must be brought into compliance with the standards established in Minn. Stat. § 116H.129, subd. 3, state energy conservation standards.

2. For structures less than 15 years old, only improvements necessary to bring the structure into compliance with the state energy conservation standards are eligible.

3. For structures more than 15 years old, permanent general improvements as described in B. are eligible if the structure has been or will be brought into compliance with the state energy conservation standards.

B. Permanent general improvements. Each improvement must be a permanent general improvement. Permanent general improvements shall include additions, alterations, renovations, or repairs upon or in connection with existing structures which materially preserve or improve the basic livability, safety, or utility of the property. However, conversions of structures, or portions thereof, from nonresidential use to residential use are not eligible. Permanent general improvements shall not include materials, fixtures, or landscaping of a type or quality exceeding that customarily used in the locality for properties of the same general type as the property to be improved.

C. Other codes and standards. Each improvement must be made in compliance with all applicable health, fire prevention, building, and housing codes and standards, but no application for a rental rehabilitation loan for property occupied by the owner shall be denied solely because the improvements will not bring the property into full compliance with all codes and standards, except that the property must be brought into compliance with state energy conservation standards as specified in A.1.

D. Public improvements. Rental rehabilitation loan proceeds shall not be used for the payment, wholly or in part, of assessments for public improvements; provided, however, that the proceeds may be used for improvements which will bring an individual sewage disposal system located on the property, including septic systems, into compliance with local, state, or federal environmental and sanitary standards.

E. Warranty. All contracts covering all or any portion of an improvement must contain an agency approved warranty of workmanship and materials.

# Minnesota Housing Finance Agency

## Proposed Rules Amending Provisions Relating to Downpayments under the Homeownership Assistance Fund

### Notice of Correction of Previously Published "Notice of Intent to Adopt Rules without a Public Hearing"

The "Notice of Intent to Adopt Rules without a Public Hearing" published in the *State Register* along with the Proposed Rules Amending Provisions Relating to Downpayments under the Homeownership Assistance Fund (6 S.R. 536 on September 28, 1981) did not include certain information required in the notice by the rules adopted by the Attorney General. Accordingly, the corrected notice is published below. The rules are idential to those printed in the original notice.

### Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Housing Finance Agency ("agency") proposes to adopt the above-entitled rules without a public hearing. The agency has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412 subd. 4h(1980).

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412, subds. 4-4f. If a public hearing is requested, identification of the particular objection, the suggested modifications to the proposed language, and the reasons or data relied on to support the suggested modifications is desired.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to:

Monte Aaker, Research Coordinator
Research Division
Minnesota Housing Finance Agency
Suite 200—Nalpak Building
333 Sibley Street
St. Paul, Minnesota 55101
Telephone (612) 296-9952

Authority for the adoption of these rules is contained in Minn. Stat. § 462A.06, subds. 4 and 11(1980). Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rules, and that identifies the data and information relied upon to support the proposed rules, has been prepared and is available from Monte Aaker upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this notice, the statement of need and reasonableness, all written comments received, and the final rules as adopted will be delivered to a designee of the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of these rules for approval, or who wish to receive a copy of the final rules as adopted, should submit a written statement of such request to Monte Aaker.

A copy of the proposed rules is attached to this notice. Additional copies may be obtained by contacting Monte Aaker.

Please be advised that Minn. Stat. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five (5) days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11(1980) as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250.00, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administration action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250.00, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 40 State Office Building, Saint Paul, Minnesota 55155, telephone (612) 296-5615.

October 26, 1981

James J. Solem
Executive Director

### Rule as Proposed

**12 MCAR § 3.134 Homeownership assistance fund; downpayment assistance.** The agency may provide interest-free downpayment assistance loans to eligible recipients who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required downpayment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the downpayment assistance loan shall equal the amount by which the sum of the downpayment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the downpayment or ~~$1,000~~ $1,500.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of Rules Amending Provisions Relating to Downpayments Under the Homeownership Assistance Fund Without a Public Hearing

STATEMENT OF

NEED AND REASONABLENESS

The proposed amendment to 12 MCAR §3.134 increases the permitted amount of a downpayment assistance loan pursuant to the Homeownership Assistance Fund from $1,000 to $1,500. The rule permits the Agency to provide interest-free downpayment assistance loans to eligible recipients who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required downpayment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. It is necessary to increase the amount of downpayment assistance permitted because of the increase in the selling price of housing. The Housing Assistance Fund rule was adopted in 1978. Since 1978 house prices have risen almost 12 percent a year. Figure 1 shows a projected percent change in house prices from 1978 to 1982.

Figure 1

| | 1978 | 1982 | Percent Change |
|---|---|---|---|
| Twin Cities Seven County Metro Area | $51,000 | $79,000 | 55% |
| Remainder of State | $37,000 | $53,000 | 43% |

NOTE: House prices for the years 1978 to 1980 are based on certificates of real estate value filed with the Department of Revenue. House prices for the years 1981 to 1982 were projected using actual sales price data from 1980. The 12 percent inflation rate for the homeownership component of the consumer price index from 1975 to 1980 was assumed to continue through 1982. New distributions of sales prices were generated and then the median prices were calculated.

The Housing Assistance Fund Downpayment Assistance can be used to pay the required downpayment, plus closing costs, expenses and origination fees on the dwelling purchased by eligible borrower. These costs generally are a fixed percentage of the selling price of the house. The 50 percent increase in the amount of the downpayment assistance permitted under the rule is reasonable because it is approximately the same percentage increase that has occurred in house prices since the $1,000 limit was established in 1978.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Amendment to the Adoption of Rules Governing the Downpayments for the Homeownership Assistance Fund

STATEMENT OF COMPLIANCE WITH RULEMAKING PROCEDURES

I, Special Assistant Attorney General, James E. Dinerstein do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

James E. Dinerstein
Special Assistant Attorney General

Dated: January 5, 1982