

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MINNESOTA
HOUSING
FINANCE
AGENCY

RECEIVED
DEC 7 1982
RECEIVED
DEC 8 1982

December 6, 1982

Mr. Larry D. Starns
Special Assistant Attorney General
G-25 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

RE: IN THE MATTER OF THE PROPOSED AMENDMENT TO AND ADOPTION OF RULES GOVERNING INCOME LIMITS FOR HOME IMPROVEMENT LOANS WITHOUT A PUBLIC HEARING.

Dear Mr. Starns:

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 Section 1.203:

Rules as adopted.
Order adopting.
Certificate of Baord's Resolution Adopting a Rule.
Order of Notice of Intent to Adopt a Rule Without a Public Hearing.
Certificate of Board's Authorizing Resolution.
Affidavit of Mailing Notice of Intent to Adopt a Rule Without a Public Hearing.
Mailing List Certificate.
Rule as Proposed (Copy of Pages in State Register).
Statement of Need and Reasonableness.
Certificate of Compliance with Rule Making Procedures.

No requests for a hearing were received during the 30-day period.

Sincerely,

Monte Aaker

Monte Aaker

MA:cs

Enclosures

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

Our File No. 869

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 12/8/82
DATE FOR REVIEW 12/17/82
DATE DUE 12/22/82

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

Approved 12/17/82 Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State _____ Revisor approved 12/9/82 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed See SR.

✓ Order Adopting 10.28.82 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 (Corrected Notice).
✓ Sufficiency

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

✓ Mailing list Certificate

✓ Publication in State Register
8.30.82 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

Agency's Findings of Fact

✓ LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

✓ 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

no comments, no requests - per transmittal memo.

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL Office Memorandum

TO JAMES J. SOLEM, Executive Director DATE: 12/17/82

Attn: JAMES E. DINERSTEIN, Special Assistant Attorney General

FROM : LARRY D. STARNS
Special Assistant
Attorney General PHONE: 297-3471

SUBJECT: In the Matter of the Adoption of Rules Governing Income Limits in the Home Inprovement Loan Program

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;

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.

LDS/ls
cc: Ms. Kathy Burek
Mr. Duane Harves

AG copy

Minnesota Housing Finance Agency

Adopted Rules Relating to the Income Limits for the Home Improvement Loan Program

Rule as Adopted

12 MCAR S 3.002 O. "Persons and families of low and moderate income" means:

1.-4. [Unchanged.]

5. with respect to home improvement loans and accessibility improvement assistance pursuant to Chapter Six of these rules, those persons and families whose adjusted income does not exceed $24,000 or such lower amount as the agency may establish to assure that the interest on obligations of the agency will be exempt from federal income taxation.

Std. to bridle discretion to set subsequent std. ok. LDS

APPROVED AS TO LEGALITY

December 17, 19 82

WARREN SPANNAUS, ATTORNEY GENERAL

BY [signature]

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
DEC 20 1982
Joan Anderson Growe
Secretary of State

10:18 AM

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of Rules
Amending Provisions Relating to Income
Limits for Home Improvement Loan Program
Without a Public Hearing.

ORDER ADOPTING RULES

Notice of the Agency's intent to adopt the above-entitled rules with a public hearing was published in the State Register on August 9, 1982, and Notice of Correction was published in the State Register on August 30, 1982, 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 August 23, 1982. After affording interest 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 the 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 Income Limits for Home Improvement Loan Program are adopted this 28th day of October, 1982 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 Governing Income Limits for the Home Improvement Loan Program Without a Public Hearing.

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

IT IS ORDERED this 24th day of June, 1982 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

Minnesota Housing Finance Agency

Notice of Correction of Publication of Proposed Adoption of Rules Relating to Income Limits for the Home Improvement Loan Program 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 August 9, 1982, at 7 S.R. 165 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
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, St. Paul, Minnesota 55155, telephone - 612/296-5615.

Dated: August 17, 1982

James J. Solem

Executive Director

Rule as Proposed

12 MCAR § 3.002 O. "Persons and families of low and moderate income" means:

1.-4. [Unchanged.]

5. with respect to home improvement loans and accessibility improvement assistance pursuant to Chapter Six of these rules, those persons and families whose adjusted income does not exceed ~~$18,000~~ $24,000 or such lower amount as the agency may establish to assure that the interest on obligations of the agency will be exempt from federal income taxation.

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the Matter of the Adoption of Rules
Amending Provisions Relating to the Income
Limits for the Home Improvement Loan Program
Without a Public Hearing

AFFIDAVIT
OF MAILING

Joan Ware, being first duly sworn, deposes and says:

That on the 23rd day of August, 1982, 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.

Joan Ware

Subscribed and sworn to before me
this 10TH day of November,
1982.

Roseann M. Kruse

ROSEANN M. KRUSE
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Commission Expires Mar. 31, 1986.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

CERTIFICATE

In the Matter of the Adoption of Rules
Amending Provisions Relating to the
Income Limits for the Home Improvement
Loan Program Without a Public Hearing

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 23rd day of August 1982.

Monte Aaker

Monte Aaker

PROPOSED RULES

Pursuant to Minn. Laws of 1980, § 15.0412, subd. 4h, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of § 15.0412, subds. 4 through 4g, which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Agriculture
Agronomy Services Division

Notice of Withdrawal of Proposed Rules Governing the Storage and Handling of Liquid and Dry Commercial Fertilizer

The rules proposed and published at *State Register*, Volume 6, Number 14, p. 573, October 5th, 1981 (6 S.R. 573) are withdrawn in their entirety by the department. The Attorney General has ruled that the procedures outlined in *Minn. Stat.* § 15.0412, subd. 4h, may not be used to promulgate these rules. The department intends to republish the rules and promulgate them according to the procedures contained in *Minn. Stat.* § 15.0412, subd. 4.

Minnesota Housing Finance Agency

Notice of Correction of Proposed Rules Relating to Income Limits for the Home Improvement Loan Program Without a Public Hearing

The notice of intent of proposed rules amending provisions relating to downpayments under the Homeownership Assistance Fund without a public hearing published on August 9, 1982, at 7 S.R. 165 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
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, St. Paul, Minnesota 55155, (612) 296-5615.

Dated: August 17, 1982

James J. Solem
Executive Director

Rule as Proposed

12 MCAR § 3.002 O. "Persons and families of low and moderate income" means:

1.-4. [Unchanged.]

5. with respect to home improvement loans and accessibility improvement assistance pursuant to Chapter Six of these rules, those persons and families whose adjusted income does not exceed ~~$18,000~~ $24,000 or such lower amount as the agency may establish to assure that the interest on obligations of the agency will be exempt from federal income taxation.

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.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of Rules Governing Income Limits in the Home Improvement Loan Program 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 28th day of October, 1982, 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 Governing Income Limits in the Home Improvement Loan Program 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 28th day of October, 1982.

Chairman

Secretary

MINNESOTA HOUSING FINANCE AGENCY
333 Sibley Street
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 82-79

RESOLUTION AUTHORIZING ADOPTION OF RULES GOVERNING INCOME LIMITS IN THE HOME IMPROVEMENT LOAN PROGRAM WITHOUT PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That rules relating to Adoption of Rules Governing Income Limits in the Home Improvement Loan Program 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.

Adopted by the Minnesota Housing Finance Agency this 28th day of October, 1982.

Chairman

Secretary

Minnesota Housing Finance Agency

Adopted Rules Relating to the Income Limits for the Home Improvement Loan Program

Rule as Adopted

12 MCAR S 3.002 O. "Persons and families of low and moderate income" means:

1.-4. [Unchanged.]

5. with respect to home improvement loans and accessibility improvement assistance pursuant to Chapter Six of these rules, those persons and families whose adjusted income does not exceed $24,000 or such lower amount as the agency may establish to assure that the interest on obligations of the agency will be exempt from federal income taxation.

State of Minnesota
Minnesota Housing Finance Agency

In the Matter of the Proposed Adoption of
Rules of the Minnesota Housing Finance
Agency Relating to the Income Limits for
the Home Improvement Loan Program

Statement of Need and Reasonableness

12 MCAR S 3.002(0)(3)

Minnesota Statutes, Section 462A.03, Subdivision 10, requires that the Minnesota Housing Finance Agency (Agency) establish in its rules income limits for the purpose of defining persons and families of low and moderate income. This is accomplished in two Agency rules: (1) 12 MCAR S 3.002(0) establishes maximum limits for adjusted income; and (2) 12 MCAR S 3.002(N) determines adjusted income pursuant to a formula established in that rule. The adjusted income limit for the Home Improvement Loan Program is currently $18,000 which was established in 1981.

The proposed rule increases the adjusted income limits for the Agency Home Improvement Loan Program to $24,000. It is necessary to increase the income limits for the Home Improvement Loan Program (Program) because of increases in incomes due to inflation, and because these increases in income would reduce the pool of eligible applicants for the Program.

Minnesota Statutes Section 462A.03, Subdivision 10, specifies four criteria for the determination of persons and families of low and moderate income. They are:

(a) the amount of total income such persons and families have available for housing needs;

(b) the size of the family;

(c) the cost and condition of housing facilities available; and

(d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amount at which private enterprise is providing sanitary, safe and decent housing.

These criteria will be reviewed in more detail below.

The Agency program provides loans of up to $15,000 for home improvements for eligible persons and families. The interest rate varies from 3 percent to 14.5 percent depending upon income. Since the program began in 1975, the Agency has made 33,578 loans totalling $171,089,939. The program is financed with a combination of tax exempt revenue bonds and State appropriations. Bonds have been sold equaling $191,505,000 and appropriations have totalled $33,210,000.

The first criteria listed in Section 462A.03, Subdivision 10, is "The amount of total income such persons and families have available for housing needs." Because this program serves low and moderate income persons and families, it is difficult to separate out those resources available for housing needs. For low and moderate income persons and families competition exists among various needs for the use of each limited dollar. In making this determination, the Agency has defined low and moderate income persons and families as those with incomes at or below the median income. The median income is the income that divides the income distribution in half. The Agency has made the determination that persons and families with incomes above the median have the necessary resources to meet their housing needs.

In determining the income available for persons and families of low and moderate income, it is necessary to examine actual data generated by the 1980 Census of Population and Housing. According to this data, the median income for all families in Minnesota was $21,217 in 1979. The Agency has projected that incomes will rise approximately 9 percent a year from 1979 to 1982 (December of 1982) or a total of 27 percent. Incomes have lagged general inflation historically. The expected rise in inflation over the same period will be approximately 30 percent (13% in 1980, 11% in 1981 and projected 6% in 1982). Thus, projected median family income at the end of 1982 will be approximately $26,946. The projected 1982 median income of $26,946 under the Agency's current formula for adjusting incomes would yield the following adjusted income for a "typical borrower":*

$26,946
- 750 (deduction - adult)
- 750 (deduction - adult)
- 750 (second income deduction)
- 500 (deduction - child)

$24,196 - Total

Thus, the Agency's proposed adjusted income limit of $24,000 would allow persons and families at or below the median income to participate in the Agency's program. The Agency has determined that the adjusted income limit of $24,000 is reasonable.

The second criterion listed in the statutory definition of persons and families of low and moderate income is the size of the family. This factor is addressed by the Agency in the formula for adjusting incomes under 12 MCAR S 3.002(N) which is not the subject of this rule amendment. The Agency did, however, take the income adjustments in 12 MCAR S 3.002(N) into account in the analysis leading to a determination that the rule established by this rule amendment reflected family size. Under 12 MCAR S 3.002(N) such households receive a $750 deduction from gross income for each adult, a $500 deduction for each child and a $750 deduction for the second income.

The third factor specified in the statute is the cost and condition of housing facilities available. This criterion is primarily applicable to Agency programs which finance the purchase of dwelling units.

The fourth factor is, "the eligibility of the persons and families to compete successfully in the normal housing market and to pay the amount at which private enterprise is providing sanitary, decent and safe housing." The Agency's program will serve low and moderate income persons and families who could not afford the current interest rates of 19 percent which are being charged for conventional home improvement loans.

* Approximately 70 percent of previous program recipients were married with one child and both parents worked.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of
Rules Governing Income Limits in
the Home Improvement Loan Program

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: 11/30/82