

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 9024

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 10-31-83
DATE FOR REVIEW 11-9-83
DATE DUE 11-14-83

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

Approved 11-14-83 mjc Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State _____ Revisor approved 11/2/83 disapproved _____

_____ Rule as Adopted

_____ Rule as Proposed

_____ Order Adopting 10.27.83 Date

_____ 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
9.9.83 At least 30 days prior to ~~hearing~~/adoption

_____ Mailing list Certificate

_____ Publication in State Register
9.12.83 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

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

MINNESOTA HOUSING FINANCE AGENCY

October 28, 1983

RECEIVED
OCT 31 1983
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

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

RE: In the Matter of the Proposed Adoption of Rules Governing Income Limits for the Medium Density Housing Program

Dear Mr. Starns:

Enclosed please find for your review pursuant to Minnesota Statutes Sections 14.21 through 14.28, 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:

Rule as Adopted;

Order Adopting;

Certificate of Board's Resolution Adopting the Rule;

Order of Notice to Adopt Rule Without a Public Hearing;

Certificate of Agency's Authorizing Resolution;

Notice of Intent to Adopt Rule Without a Public Hearing;

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

Mailing List Certificate;

Rule as Proposed;

Statement of Need and Reasonableness; and

Certificate of Compliance with Rulemaking Procedures.

The Agency did not publish a Notice of Intent to Solicit Outside Opinion in connection with this rule. No requests for a hearing were received during the 30 day comment period. The Agency did not receive any comments during the 30 day comment

period. The Adopted rules are the same as the Proposed rules.

Sincerely,

James J. Solem
Executive Director

JJS/jak

Encl.

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : JAMES J. SOLEM, Executive Director DATE: 11/14/83

Attn: KARL J. HERMAN, Special Assistant Attorney General

FROM : MARTHA J. CASSERLY MJC PHONE: 296-4347
Special Assistant
Attorney General

SUBJECT: In the Matter of the Proposed Adoption of Rules Governing Income Limits for the Medium Density Housing Program 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;

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

AG copy

Minnesota Housing Finance Agency

Adopted Rules Relating to Income Limits for the Medium Density Housing program

Rule as Adopted

12 MCAR S 3.037 Medium density housing program loans.

For the purpose of medium density housing program loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed the amounts set forth in Exhibit 12 MCAR S 3.037-1 or a lower amount as required to assure that the interest on obligations of the Minnesota Housing Finance Agency will be exempt from federal income taxation.

Exhibit 12 MCAR S 3.037-1

Maximum Adjusted Income for

Medium Density Housing Program Loans

Mortgage Interest Rate	Maximum Adjusted Income
0-10.59%	$30,000
10.60-11.09%	$31,000
11.10-11.59%	$32,000
11.60-12.09%	$33,000
12.10-12.59%	$34,000
12.60% and over	$35,000

APPROVED AS TO FORM AND LEGALITY

November 14 1983

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Martha J Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 14 1983
Joan Anderson Growe
Secretary of State
2:02 PM

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption
of Rules Governing Income Limits for
the Medium Density Housing Program
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 12, 1983 and was sent by United States mail to all persons on the list maintained by the Agency pursuant to Minnesota Statutes Section 14.14 Subdivision 1 on September 9, 1983. After affording interested and affected persons an opportunity to submit comments for 30 days, receiving 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 Governing Income Limits for the Medium Density Housing Program are adopted this 27th day of October, 1983 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 Proposed Adoption of Rules Governing Income Limits for the Medium Density Housing Program

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

It is ordered this 25th day of August, 1983 that a Notice of Intent to Adopt Rules without a 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

CERTIFICATE OF AGENCY'S

AUTHORIZING RESOLUTION

I, Robert A. Worthington, do hereby certify that I am Chairman 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 25th day of August, 1983, 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, be 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 Governing Income Limits for the Medium Density Housing Program, 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 25th day of August, 1983.

Robert A. Worthington, Chairman

Rule as Proposed (all new material)

12 MCAR S 3.037 Medium density housing program loans.

For the purpose of medium density housing program loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed the amounts set forth in Exhibit 12 MCAR S 3.037-1 or a lower amount as required to assure that the interest on obligations of the Minnesota Housing Finance Agency will be exempt from federal income taxation.

Exhibit 12 MCAR S 3.037-1

Maximum Adjusted Income for

Medium Density Housing Program Loans

Mortgage Interest Rate	Maximum Adjusted Income
0-10.59%	$30,000
10.60-11.09%	$31,000
11.10-11.59%	$32,000
11.60-12.09%	$33,000
12.10-12.59%	$34,000
12.60% and over	$35,000

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD412

Agency: Minnesota Housing Finance Agency

Division:

Agency Contact: Judy Keiser

Rule Numbers: 12 MCAR S 3.037

Title: Proposed Rule Governing Medium Density Housing Program Loans

Type of Rules: Permanent

Incorporations by Reference: None

Duplication of Statutory Language: None

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

Maryanne V. Hruby
Assistant Revisor
Phone: 297-2948
Date: August 24, 1983

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of Rules Relating to Income Limits for the Medium Density Housing Program

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. § 14.21 to 14.28.

Persons interested in these rules shall have 30 days to submit comments on the proposed rules within the 30-day comment period. The rule may be modified as the result of comments received 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 rule 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. § 14.13 et. seq. 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:

Judith A. Keiser
Legal Division
Minnesota Housing Finance Agency
Suite 200
333 Sibley Street
St. Paul, Minnesota 55101
Telephone: 612/296-9793

Authority for the adoption of these rules is contained in Minn. Stat. § 462A.06, Subd. 4 and 11. 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 Judith A. Keiser 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 Judith A. Keiser.

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

Please be advised that Minn. Stat. Ch. 10A.03 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 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: September 9, 1983

James J. Solem
Executive Director

Rule as Proposed (all new material)

12 MCAR S 3.037 Medium density housing program loans.

For the purpose of medium density housing program loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed the amounts set forth in Exhibit 12 MCAR S 3.037-1 or a lower amount as required to assure that the interest on obligations of the Minnesota Housing Finance Agency will be exempt from federal income taxation. In Exhibit 12 MCAR S 3.037-1, "metropolitan area" has the meaning given it in Minn. Stat. S 473.121, subd. 2.

Exhibit 12 MCAR S 3.037-1

Maximum Adjusted Income for

Medium Density Housing Program Loans

Mortgage Interest Rate	Nonmetropolitan Area Maximum Adjusted Income	Metropolitan Area Maximum Adjusted Income
0-10.59%	$24,000	$29,000
10.60-11.09%	$25,000	$30,000
11.10-11.59%	$26,000	$31,000
11.60-12.09%	$27,000	$32,000
12.10-12.59%	$28,000	$33,000
12.60% and over	$29,000	$34,000

APPROVED BY THE REVISOR OF STATUTES OFFICE BY: MWH

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD412

Agency: Minnesota Housing Finance Agency

Division:

Agency Contact: Judy Keiser

Rule Numbers: 12 MCAR S 3.037

Title: Proposed Rule Governing Medium Density Housing Program Loans

Type of Rules: Temporary

Incorporations by Reference: None

Duplication of Statutory Language: None

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

Maryanne V. Hruby
Assistant Revisor
Phone: 297-2948
Date: August 18, 1983

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the Matter of the Proposed Adoption of Rules Governing Income Limits for the Medium Density Housing Program Without a Public Hearing

AFFIDAVIT OF MAILING

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

That on the 9th day of September, 1983, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without a Public Hearing by depositing in the United States mail at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid to all persons and associations who have requested that their names be placed on file with the 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 9th day of September, 1983.

Notary Public

KATHLEEN J. JOHNSON
NOTARY PUBLIC--MINNESOTA
RAMSEY COUNTY
My Comm Expires Dec. 9, 1988

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

MAILING LIST CERTIFICATE

In the Matter of the Proposed Adoption
of Rules Governing Income Limits for the
Medium Density Housing Program Without a
Public Hearing

I hereby certify that the list of persons, associations and other interested groups who have requested, pursuant to Minnesota Statutes Section 14.14 Subdivision 1, 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 this 9th day of September, 1983.

Judith A. Keiser

F. Satisfactory evidence must be presented that the applicant has or will have the ability to repay the innovative housing loan and to obtain other financing, if needed, at the expiration of the term of the loan.

G. The project must be innovative; that is, it must involve the use of equipment or materials or of a method of design, construction, marketing, or financing which is not generally in use in the housing industry or of which the public is not generally aware.

Minnesota Housing Finance Agency

Proposed Rules Relating to Income Limits for the Medium Density Housing Progam

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. §§ 14.21 to 14.28.

Persons interested in these rules shall have 30 days to submit comments on the proposed rules within the 30-day comment period. The rule may be modified as the result of comments received 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 rule 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. § 14.13 *et. seq.* 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:

Judith A. Keiser
Legal Division
Minnesota Housing Finance Agency
Suite 200
333 Sibley Street
St. Paul, Minnesota 55101
Telephone: 612/296-9793

Authority for the adoption of these rules is contained in Minn. Stat. § 462A.06, subds. 4 and 11. 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 Judith A. Keiser 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 Judith A. Keiser.

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

Please be advised that Minn. Stat. Ch. 10A.03 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 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.

September 9, 1983

James J. Solem
Executive Director

Rule as Proposed (all new material)

12 MCAR § 3.037 Medium density housing program loans.

For the purpose of medium density housing program loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed the amounts set forth in Exhibit 12 MCAR § 3.037-1 or a lower amount as required to assure that the interest on obligations of the Minnesota Housing Finance Agency will be exempt from federal income taxation.

Exhibit 12 MCAR § 3.037-1

Maximum Adjusted Income for
Medium Density Housing Program Loans

Mortgage Interest Rate	Maximum Adjusted Income
0-10.59%	$30,000
10.60-11.09%	$31,000
11.10-11.59%	$32,000
11.60-12.09%	$33,000
12.10-12.59%	$34,000
12.60% and over	$35,000

Office of the Secretary of State

Proposed Rules for Administrative and Automatic Election Recounts (1 MCAR §§ 2.4001-2.4012); Proposed Amendments to Rules for Voter Registration (1 MCAR §§ 2.0101-2.1101); Proposed Amendments to Rules for Preparation of the White Ballot (1 MCAR §§ 2.2101-2.2115); Proposed Amendments to Rules for Certification and Experimental and General Use of Voting Machines (1 MCAR §§ 2.3101-2.3907); Proposed Amendments to Rules for Absentee Voting and Delivery Procedures (1 MCAR §§ 2.4101-2.4205)

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Secretary of State proposes to adopt the above-captioned rules without a public hearing. The Secretary of State 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. §§ 14.21-14.28 (1982).

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 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. §§ 14.21-14.28 (1982).

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

Shirley Zikmund
Election Procedure Advisor
Office of the Secretary of State
180 State Office Building
St. Paul, MN. 55155-1299

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 Proposed Adoption of Rules Governing Income Limits for the Medium Density Housing Program Without a Public Hearing

CERTIFICATE OF BOARD'S RESOLUTION ADOPTING RULES

I, Robert A. Worthington, do hereby certify that I am Chairman 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 27th day of October, 1983, 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 Income Limits for the Medium Density Housing 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, 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 27th day of October, 1983.

Chairman

Minnesota Housing Finance Agency

Adopted Rules Relating to Income Limits for the Medium Density Housing program

Rule as Adopted

12 MCAR S 3.037 Medium density housing program loans.

For the purpose of medium density housing program loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed the amounts set forth in Exhibit 12 MCAR S 3.037-1 or a lower amount as required to assure that the interest on obligations of the Minnesota Housing Finance Agency will be exempt from federal income taxation.

Exhibit 12 MCAR S 3.037-1

Maximum Adjusted Income for

Medium Density Housing Program Loans

Mortgage Interest Rate	Maximum Adjusted Income
0-10.59%	$30,000
10.60-11.09%	$31,000
11.10-11.59%	$32,000
11.60-12.09%	$33,000
12.10-12.59%	$34,000
12.60% and over	$35,000

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the
Proposed Adoption of Rules
of the Minnesota Housing
Finance Agency Relating to
Income Limits for the Medium
Density Housing Program

Statement of Need and Reasonableness

12 MCAR § 3.037

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. The determination of defining families as low and moderate is established in two Agency rules; 12 MCAR § 3.002 (0) establishes maximum limits for adjusted income for Agency programs therein specified, and adjusted income is, in turn, determined pursuant to a formula set forth in the definition in 12 MCAR § 3.002 (N).

The proposed rule 12 MCAR § 3.037 and Exhibit 12 MCAR 3.037-1 establishes income limits for the Agency's Medium Density Housing Program necessitated by increased interest rates for its bonds, and rising costs of home construction. The rule also proposes a series of income limits based on the Agency's cost of obtaining money, rather than one income limit. Uncertain bond market conditions make it difficult to implement a program based on one income limit, since income limits are a function of what interest rates must be charged to the mortgagor to meet the Agency's cost of money, as determined in each bond sale.

Minnesota Statutes § 462A.03, Subdivision 10, specifies four criteria for determination of persons and families of low and moderate income. They are (1) the amount of total income of such persons and families available for housing needs, (2) the size of the family, (3) the cost and condition of housing facilities available, (4) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent, and safe housing.

In reference to the first of the criteria set forth above, i.e. "the amount of total income of such persons and families available for housing needs", the general underwriting standard in the mortgage loan industry is that the estimated monthly mortgage payment (principal, interest, taxes, and insurance) should not exceed 28% of gross monthly income. This standard was applied in arriving at the maximum adjusted income limits specified in Exhibit 12 MCAR 3.037-1. The standard assumes that families able to pay less than 28% of their income are not low and moderate income, and should not be eligible to purchase houses from the funds made available for the Medium Density Housing Program.

The second criterion specified in the statutory definitions 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 income under 12 MCAR 3.002 (N), which was applied in arriving at the maximum adjusted income that would be available for housing needs.

The third criterion specified in the statute as set forth above is the cost and condition of housing facilities available. The cost of new construction has risen substantially in recent years, and should continue to rise in the immediate future. The proposed set of income limits for the Medium Density Housing Program will allow a household to purchase a $70,000 newly-constructed house in the State of Minnesota. In light of current new construction costs and comparable attached medium density housing, the $70,000 purchase price is reasonable.

The fourth criterion specified in the statute is the ability of such persons and families to compete in the normal housing market. With current FHA rates of 13.0% and, using industry underwriting standards, a family would be required to have an adjusted income of $35,000 to afford a $70,000 house.

The Agency, through the Medium Density Housing Program, offers a family of lower income the ability to purchase housing of similar cost by virtue of the Agency's capacity to provide below-market interest rate financing.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption
of Rules Governing Income Limits for
the Medium Density Housing Program
Without a Public Hearing

STATEMENT OF COMPLIANCE
WITH THE RULEMAKING
PROCEDURES

I, Special Assistant Attorney General, Karl J. Herman 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.

Dated: 10/28/83

Karl J. Herman
Special Assistant Attorney General