

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 1062

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 8-24
DATE FOR REVIEW 9-3
DATE DUE 9-7

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

Approved 9-6-84 mjc Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State _____ Revisor approved 8/27/84 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 8.23.84 Date

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
N/A date of Hearing

✓ Certificate of Board's Authorizing Resolution authorizes deputy director to act rather than director; deputy has signed some docs, director has signed others.

✓ Notice of rulemaking
✓ Sufficiency

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

✓ Mailing list Certificate

✓ Publication in State Register
7.16.84 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 contains small biz statement.

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

AG copy

Housing Finance Agency

Adopted Rules Governing the Energy Improvement Loan Insurance Program

Rules as Adopted

4900.0601 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4900.0601 to 4900.0605, the following terms have the meanings given them.

Subp. 2. **Agency.** "Agency" means the Minnesota Housing Finance Agency.

Subp. 3. **Borrower.** "Borrower" means one or more persons or legal entities.

Subp. 4. **Energy improvement loan insurance program.** "Energy improvement loan insurance program" means a program established by Minnesota Statutes, section 462A.05, subdivision 23 to insure loans that are made by lenders to eligible borrowers to pay the costs of eligible improvements made to eligible structures.

Subp. 5. **Insure.** "Insure" means that the agency will pay to the lender a portion of defaulted loans that are insured by the energy improvement loan insurance program, up to a maximum total amount for each lender.

Subp. 6. **Lender.** "Lender" means a banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in Minnesota.

Subp. 7. **Rental dwelling unit.** "Rental dwelling unit" means a housing unit containing cooking, sleeping, and bathroom facilities that is occupied by a household other than the owner of the dwelling for which rent is received either in cash or in kind.

4900.0602 ELIGIBLE LOAN.

For a loan to be insured under the energy improvement loan insurance program, the loan must comply with parts 4900.0603 to

4900.0605.

4900.0603 ELIGIBLE BORROWERS.

Subpart 1. **Interest in property.** An eligible borrower shall, individually or in the aggregate, possess at least a one-third interest in either a fee title, a contract for deed, or a life estate in the property and the structure located thereon.

Subp. 2. **Credit review.** An eligible borrower shall be a reasonable credit risk, and shall be able to pay the loan obligation, as determined by the lender that originates a loan to be insured under the energy improvement loan insurance program and as determined by the agency.

4900.0604 ELIGIBLE STRUCTURES.

An eligible structure must contain one or more rental dwelling units and must not be in compliance with applicable energy efficiency standards.

4900.0605 ELIGIBLE IMPROVEMENTS.

Eligible improvements are any improvements that are primarily designed to reduce energy consumption, and any structural or other directly related repairs that are essential to accomplish the eligible improvement.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
SEP 7 1984
Jean Anderson
Secretary of State
11:30 AM

APPROVED AS TO FORM AND LEGALITY.
September 6 1984
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY Martha J Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : JAMES J. SOLEM
Executive Director

DATE: September 6, 1984

ATTN: WILLIAM H. KURETSKY
Special Assistant Attorney General

FROM : MARTHA J. CASSERLY
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Rules Governing the Energy Improvement Loan Insurance 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.

MJC:cb

Encs.

cc: Ms. Kathy Burek
Mr. Duane Harves

STATE OF MINNESOTA

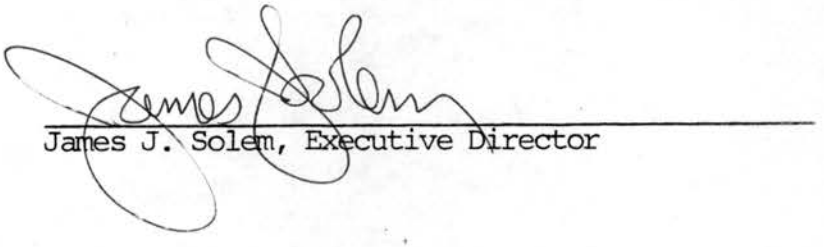
MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of Rules Governing the Energy Improvement Loan Insurance 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 July 16, 1984 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 July 13, 1984. After affording interested and affected persons and opportunity to submit comments for 30 days, received fewer than twenty-five written requests for a public hearing within the 30 day comment period, reviewing and considering the comments, supplying notice to all persons requesting notice of the date of submission of the proposed rules to the Attorney General for review, 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 the Energy Improvement Loan Insurance Program are adopted this 23rd day of August, 1984 pursuant to authority vested in the Agency by Minnesota Statutes Section 462A.06, Subdivisions 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 the Energy Improvement Loan Insurance Program

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

It is ordered this 28th day of June, 1984 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

Alan L. Hans, Deputy 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 28th day of June, 1984, 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 Alan L. Hans, Deputy 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 the Energy Improvement Loan Insurance 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 28th day of June, 1984.

Robert A. Worthington

Chairman

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of Rules Relating to the Energy Improvement Loan Insurance 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 in support of or in opposition to the proposed rules within the 30-day comment period. Such comments are encouraged, and should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed 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 twenty-five 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. § 14.14 et. seq. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed.

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

Kathleen J. Johnson
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 Kathleen J. Johnson 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, and to determine whether the agency has the authority to adopt the rules and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rules. Persons who wish to receive notice of the date of submission of these rules to the Attorney General for review, or who wish to receive a free copy of the final rules as adopted, should make such requests to Kathleen J. Johnson.

A copy of the proposed rule is attached to this notice. Additional copies may be obtained by contacting Kathleen J. Johnson.

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, 41 State Office Building, St. Paul, Minnesota 55155, (612) 296-5615.

Dated: July 13, 1984

James J. Solem
Executive Director

Rules as Proposed (all new material)

4900.0601 DEFINITIONS.

Subpart 1. Scope. For the purposes of parts 4900.0601 to 4900.0605, the following terms have the meanings given them.

Subp. 2. Agency. "Agency" means the Minnesota Housing Finance Agency.

Subp. 3. Borrower. "Borrower" means one or more persons or legal entities.

Subp. 4. Energy improvement loan insurance program. "Energy improvement loan insurance program" means a program established by Minnesota Statutes, section 462A.05, subdivision 23 to insure loans that are made by lenders to eligible borrowers to pay the costs of eligible improvements made to eligible structures.

Subp. 5. Insure. "Insure" means that the agency will pay to the lender a portion of defaulted loans that are insured by the energy improvement loan insurance program, up to a maximum total amount for each lender.

Subp. 6. Lender. "Lender" means a banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in Minnesota.

Subp. 7. Rental dwelling unit. "Rental dwelling unit" means a housing unit containing cooking, sleeping, and bathroom facilities that is occupied by a household other than the owner of the dwelling for which rent is received either in cash or in kind.

4900.0602 ELIGIBLE LOAN.

For a loan to be insured under the energy improvement loan insurance program, the loan must comply with parts 4900.0603 to 4900.0605.

4900.0603 ELIGIBLE BORROWERS.

Subpart 1. Interest in property. An eligible borrower shall, individually or in the aggregate, possess at least a one-third interest in either a fee title, a contract for deed,

APPROVED IN THE REVISOR OF STATUTES

or a life estate in the property and the structure located thereon.

Subp. 2. Credit review. An eligible borrower shall be a reasonable credit risk, and shall be able to pay the loan obligation, as determined by the lender that originates a loan to be insured under the energy improvement loan insurance program and as determined by the agency.

4900.0604 ELIGIBLE STRUCTURES.

An eligible structure must contain one or more rental dwelling units and must not be in compliance with applicable energy efficiency standards.

4900.0605 ELIGIBLE IMPROVEMENTS.

Eligible improvements are any improvements that are primarily designed to reduce energy consumption, and any structural or other directly related repairs that are essential to accomplish the eligible improvement.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD551

Agency: Minnesota Housing Finance Agency

Division:

Agency Contact: Kathy Johnson 296-9793

Minnesota Rules: Parts 4900.0601 to 4900.0605

Title: Proposed Rules Governing the Energy Improvement Loan Insurance Program

Type of Rules: Permanent

Incorporations by Reference: None

Steven C. Cross
Revisor of Statutes

Maryanne V. Hruby
Assistant Revisor
Phone: 297-2948
Date: June 18, 1984

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the Matter of the Proposed Adoption of Rules Governing the Energy Improvement Loan Insurance Program Without a Public Hearing

AFFIDAVIT OF MAILING

Kathleen J. Johnson, being first duly sworn, deposes and says:

That on the 13th day of July, 1984, 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.

Kathleen J. Johnson

Kathleen J. Johnson

Subscribed and sworn to before me this 13th day of July, 1984.

Faye Louise Smiles

Notary Public

FAYE LOUISE SMILES
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES JUNE 29, 1991

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

MAILING LIST CERTIFICATE

In the Matter of the Proposed Adoption
of Rules Governing the Energy Improvement
Loan Insurance 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 13th day of July, 1984.

Kathleen J. Johnson

than $100,000 because of bodily injury to or death of any one person in any one accident; not less than $300,000 because of bodily injury to or death of two or more persons in any one accident; and not less than $50,000 because of damage to or destruction of property of others in any one accident.

3500.5070 EXEMPTION FOR EXPERIMENTAL PROGRAM.

A school district desiring an exemption from parts 3500.5050 to 3500.5060 must follow the procedures contained in part 3500.1000.

REPEALER. Minnesota Rules, part 3500.4500 is repealed.

Housing Finance Agency

Proposed Rules Governing the Energy Improvement Loan Insurance 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 in support of or in opposition to the proposed rules within the 30-day comment period. Such comments are encouraged, and should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed 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 twenty-five 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. § 14.14 *et. seq.* Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed.

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

Kathleen J. Johnson
Legal Division
Minnesota Housing Finance Agency
Suite 200
333 Sibley Street
St. Paul, Minnesota 55101
Telephone: 612/296-9793

Authority for 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 Kathleen J. Johnson 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, and to determine whether the agency has the authority to adopt the rules and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rules. Persons who wish to receive notice of the date of submission of these rules to the Attorney General for review, or who wish to receive a free copy of the final rules as adopted, should make such requests to Kathleen J. Johnson.

A copy of the proposed rule is attached to this notice. Additional copies may be obtained by contacting Kathleen J. Johnson.

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:

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.

(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, 41 State Office Building, St. Paul, Minnesota 55155, (612) 296-5615.

July 13, 1984

James J. Solem
Executive Director

Rules as Proposed (all new material)

4900.0601 DEFINITIONS.

Subpart 1. Scope. For the purposes of parts 4900.0601 to 4900.0605, the following terms have the meanings given them.

Subp. 2. Agency. "Agency" means the Minnesota Housing Finance Agency.

Subp. 3. Borrower. "Borrower" means one or more persons or legal entities.

Subp. 4. Energy improvement loan insurance program. "Energy improvement loan insurance program" means a program established by Minnesota Statutes, section 462A.05, subdivision 23 to insure loans that are made by lenders to eligible borrowers to pay the costs of eligible improvements made to eligible structures.

Subp. 5. Insure. "Insure" means that the agency will pay to the lender a portion of defaulted loans that are insured by the energy improvement loan insurance program, up to a maximum total amount for each lender.

Subp. 6. Lender. "Lender" means a banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in Minnesota.

Subp. 7. Rental dwelling unit. "Rental dwelling unit" means a housing unit containing cooking, sleeping, and bathroom facilities that is occupied by a household other than the owner of the dwelling for which rent is received either in cash or in kind.

4900.0602 ELIGIBLE LOAN.

For a loan to be insured under the energy improvement loan insurance program, the loan must comply with parts 4900.0603 to 4900.0605.

4900.0603 ELIGIBLE BORROWERS.

Subpart 1. Interest in property. An eligible borrower shall, individually or in the aggregate, possess at least a one-third interest in either a fee title, a contract for deed, or a life estate in the property and the structure located thereon.

Subp. 2. Credit review. An eligible borrower shall be a reasonable credit risk, and shall be able to pay the loan obligation, as determined by the lender that originates a loan to be insured under the energy improvement loan insurance program and as determined by the agency.

4900.0604 ELIGIBLE STRUCTURES.

An eligible structure must contain one or more rental dwelling units and must not be in compliance with applicable energy efficiency standards.

4900.0605 ELIGIBLE IMPROVEMENTS.

Eligible improvements are any improvements that are primarily designed to reduce energy consumption, and any structural or other directly related repairs that are essential to accomplish the eligible improvement.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of Rules Governing the Energy Improvement Loan Insurance 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 23rd day of August, 1984, 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 the Energy Improvement Loan Insurance 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, Subdivisions 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 by name this 23rd day of August, 1984.

Robert A. Worthington

Chairman

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed
Adoption of Rules of the Minnesota
Housing Finance Agency Governing
the Energy Improvement Loan
Insurance Program.

Statement of Need and Reasonableness

4900.0601

This part sets forth definitions for the purpose of parts 4900.0601 to 4900.0605.

Subp. 2. The definition of Agency provides a shortened form of Minnesota Housing Finance Agency.

Subp. 3. The definition of Borrower provides a single word to describe either one person or several persons who receive a loan insured by the Energy Improvement Loan Insurance Program.

Subp. 4. The definition of Energy Improvement Loan Insurance Program provides a description of the purpose of the program as established in Minnesota Statutes, Section 462A.05, Subdivision 23. It is reasonable to provide this definition to clarify the reading of the rule.

Subp. 5. The definition of Insure provides a single word to describe funds provided to an eligible lender for reimbursement of a portion of a defaulted loan insured under the program, up to a maximum total amount for each lender. This definition is necessary to clarify references to these funds throughout parts 4900.0602 to 4900.0605.

Subp. 6. The definition of Lender provides a single word to describe eligible lending institutions. This definition is necessary to define lending institutions which may participate in the program. The limitation is specifically set forth in the statute authorizing the program.

Subp. 7. The definition of Rental Dwelling Unit provides a description of a self-contained residential rental housing unit. This definition is necessary because rental properties may not provide self-contained housing units and/or may be used for nonresidential purposes. The definition is necessary to clarify references to a specific portion of eligible structures throughout parts 4900.0602 to 4900.0605. The definition is reasonable because the eligible improvements which are financed by the insured loan should primarily benefit the residential portion of the structure.

4900.0602

This part establishes that an eligible loan must comply with parts 4900.0603 to 4900.0605. The necessity of these requirements will be discussed in that section of this statement.

4900.0603

This part establishes eligibility criteria for the borrower in the program.

Subp. 1. This subpart establishes the requirement that the borrower must have at least a one-third interest in the structure to be improved. The requirement is necessary to ensure that the borrower will have sufficient interest in the structure to be willing to repay the loan. This limitation is reasonable because it is no more or less restrictive than the FHA Title I Insurance program, under which most other property improvement loans financed by the Agency are insured.

Subp. 2. This subpart requires that the borrower shall be a reasonable credit risk and able to repay the loan obligation. This requirement is necessary to ensure that the borrower will be able to repay the loan. It is reasonable for the Agency to limit participation in the program to borrowers with a reasonable ability to repay, thereby enabling the Agency to provide the benefit of the funds appropriated by the Legislature to a variety of borrowers.

4900.0604

This part establishes eligibility criteria for the structure in the program.

The first paragraph specifies that an eligible structure must contain one or more rental dwelling units. The necessity of this requirement is discussed in Section 4900.0601, Subp. 7 of this statement. This limitation is reasonable because eligible improvements which are financed by the insured loan should primarily benefit the residential portion of the structure.

The second paragraph specifies that an eligible structure must not be in compliance with applicable energy efficiency standards. This criteria is specifically set forth in the statute authorizing the program.

4900.0605

This part establishes criteria for eligible improvement which may be financed with the proceeds of a loan insured under the program. This criteria is specifically set forth in the statute authorizing the program.

The Agency is cognizant of the provisions of Section 14.115 of the Minnesota Statutes, entitled Small Business Considerations in Rulemaking, however, the proposed rules do not establish any compliance or reporting requirements, design or operational standards, or directly affect the way any business must operate. Further, to the extent the proposed rules may have an indirect effect on small businesses, the effect is to make funds for energy conservation more readily available, and, as a result, the proposed rule has no negative effect on small businesses. Therefore, the provisions contained in Minnesota Statutes §14.115 (1983 Supp.) do not apply to the proposed rules discussed herein.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of Rules Governing the Energy Improvement Loan Insurance Program Without a Public Hearing

STATEMENT OF COMPLIANCE WITH THE RULEMAKING PROCEDURES

I, Special Assistant Attorney General, William H. Kuretsky 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: August 24, 1984

William H. Kuretsky
Special Assistant Attorney General

MINNESOTA HOUSING FINANCE AGENCY

August 24, 1984

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 the Energy Improvement Loan Insurance Program Without a Public Hearing

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 Minnesota Rules, Part 2000.0400:

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, nor did it receive any requests from persons desiring notice of the date of submission of the proposed rule to the Attorney General.

Sincerely,

James J. Solem
Executive Director

JJS/kjj

Encs.