

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. ~~1251~~ 05-0009, 0458

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 5-27-86
DATE FOR REVIEW 6-5
DATE DUE 6-10

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

Approved 6/10/86 Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State 6-12-86 Revisor approved 5.29.86 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 5.22.86 Date

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
N/A date of Hearing

✓ Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency

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

✓ Mailing list Certificate

✓ Publication in State Register
4.7.86 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

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

JAMES J. SOLEM, Executive Director
Minnesota Housing Finance Agency

ATTN: KARL J. HERMAN
Special Assistant Attorney General

DATE: 6/12/86

FROM: J. MICHAEL MILES JMM
Assistant Attorney General

PHONE: 296-6555

SUBJECT: In the Matter of the Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program Without a Public Hearing

The above-referenced rule has been approved as to its legality by the Attorney General on June 10, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

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

JMM:pmf

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR1281

Housing Finance Agency

Adopted Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

Rules as Adopted

HOMEOWNERSHIP ASSISTANCE FUND TAX REFORM TRANSITION DEMONSTRATION PROGRAM

4900.1360 HOMEOWNERSHIP ASSISTANCE FUND UNDER TAX REFORM TRANSITION DEMONSTRATION PROGRAM.

Subpart 1. **Monthly assistance.** The agency may provide eligible recipients with interest-free monthly assistance loans in the form of monthly payments of a portion of the principal and interest installment due on a tax reform transition demonstration program mortgage on qualifying property. Payments shall not exceed $100 per month and shall decrease by $10 per month or $120 per year each year. The maximum amount of monthly assistance to which a recipient is originally entitled shall be determined by the agency from time to time on the basis of the percentage of income that may reasonably be spent on mortgage payments, the interest rate charged for tax reform transition demonstration program mortgage loans, and general housing and construction costs in Minnesota. However, the initial maximum monthly assistance that the agency shall determine to be available shall not exceed the amounts provided in subparts 2, 3, and 4 for persons and families within the annual gross income ranges in subparts 2, 3, and 4 for various potential interest rates to be charged by the agency on its tax reform transition demonstration program mortgage loans.

Subp. 2. **Assistance in designated central counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright counties.

Mortgage Interest Rate	Annual Household Income	Initial Maximum Monthly Assistance $ 100	$ 80	$ 60	$ 40	$ 20
0- 9.00%	0- 21,000	21,001- 22,000	22,001- 23,000	23,001- 24,000	24,001- 25,000	
9.01- 9.50%	0- 22,000	22,001- 23,000	23,001- 24,000	24,001- 25,000	25,001- 26,000	
9.51- 10.00%	0- 23,000	23,001- 24,000	24,001- 25,000	25,001- 26,000	26,001- 27,000	
10.01- 10.50%	0- 24,000	24,001- 25,000	25,001- 26,000	26,001- 27,000	27,001- 28,000	
10.51- 11.00%	0- 25,000	25,001- 26,000	26,001- 27,000	27,001- 28,000	28,001- 29,000	
11.01- and Up	0- 26,000	26,001- 27,000	27,001- 28,000	28,001- 29,000	29,001- 30,000	

Subp. 3. **Assistance in designated outstate counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns counties.

Mortgage Interest Rate	Annual Household Income	Initial Maximum Monthly Assistance $ 100	$ 80	$ 60	$ 40	$ 20
0- 9.00%	0- 15,000	15,001- 16,000	16,001- 17,000	17,001- 18,000	18,001- 19,000	
9.01-	0-	16,001-	17,001-	18,001-	19,001-	

9.50%	Income Annual	16,000	17,000	18,000	19,000	20,000
9.51-	Hshld.	0-	17,001-	18,001-	19,001-	20,001-
10.00%	Income Annual	17,000	18,000	19,000	20,000	21,000
10.01-	Hshld.	0-	18,001-	19,001-	20,001-	21,001-
10.50%	Income Annual	18,000	19,000	20,000	21,000	22,000
10.51-	Hshld.	0-	19,001-	20,001-	21,001-	22,001-
11.01-	Income Annual	19,000	20,000	21,000	22,000	23,000
11.01-	Hshld.	0-	20,001-	21,001-	22,001-	23,001-
and Up	Income	20,000	21,000	22,000	23,000	24,000

Subp. 4. **Assistance in all other counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in any county not named in subparts 2 and 3.

Mortgage Interest Rate		Initial Maximum Monthly Assistance				
		$ 100	$ 80	$ 60	$ 40	$ 20
	Annual					
0-	Hshld.	0-	12,001-	13,001-	14,001-	15,001-
9.00%	Income Annual	12,000	13,000	14,000	15,000	16,000
9.01-	Hshld.	0-	13,001-	14,001-	15,001-	16,001-
9.50%	Income Annual	13,000	14,000	15,000	16,000	17,000
9.51-	Hshld.	0-	14,001-	15,001-	16,001-	17,001-
10.00%	Income Annual	14,000	15,000	16,000	17,000	18,000
10.01-	Hshld.	0-	15,001-	16,001-	17,001-	18,001-
10.50%	Income Annual	15,000	16,000	17,000	18,000	19,000
10.51-	Hshld.	0-	16,001-	17,001-	18,001-	19,001-

11.00%	Income	16,000	17,000	18,000	19,000	20,000
	Annual					
11.01-	Hshld.	0-	17,001-	18,001-	19,001-	20,001-
and Up	Income	17,000	18,000	19,000	20,000	21,000

4900.1361 HOMEOWNERSHIP ASSISTANCE FUND; DOWN PAYMENT ASSISTANCE UNDER PROGRAM.

The agency may provide interest-free down payment assistance loans to recipients eligible for monthly homeownership assistance under the tax reform transition demonstration program who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required down payment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the down payment assistance loan shall equal the amount by which the sum of the down payment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the down payment or $1,500.

4900.1362 REPAYMENT.

Repayment shall be as provided in part 4900.1350.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUN 12 1986
Joan Anderson Growe
Secretary of State

APPROVED AS TO FORM AND LEGALITY
6/10 19 86
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY
ASSISTANT ATTORNEY GENERAL

2:02 PM

STATE OF MINNESOTA

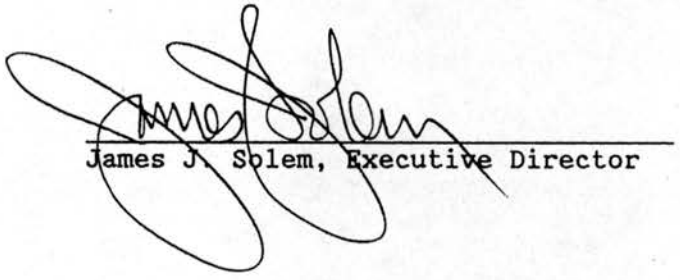
MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed
Rules Relating to
Homeownership Assistance Fund Tax
Reform Transition Demonstration 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 April 7, 1986 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 April 4, 1986. After affording interested and affected persons an opportunity to submit comments for 30 days, receiving 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 Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program are adopted this 22nd day of May, 1986 pursuant to authority vested in the Agency by Minnesota Statutes 462A.06, Subdivisions 4 and 11.



James J. Solem, Executive Director

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

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

It is ordered this 27th day of February, 1986 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 27th day of February, 1986, 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 Homeownership Assistance Fund Tax Reform Transition Demonstration 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 27th day of February, 1986.

Robert A. Worthington

Chairman

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed
Rules Relating to Homeownership Assistance Fund
Tax Reform Transition Demonstration 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. Sec. 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. Sec. 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 300
400 Sibley Street
St. Paul, Minnesota 55101
Telephone: 612/296-9793

Authority for the adoption of these rules is contained in Minn. Stat. Sec. 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. Sec. 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: April 4, 1986

James J. Solem
Executive Director

Housing Finance Agency

Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

Rules as Proposed (all new material)

HOMEOWNERSHIP ASSISTANCE FUND TAX REFORM TRANSITION DEMONSTRATION PROGRAM

4900.1360 HOMEOWNERSHIP ASSISTANCE FUND UNDER TAX REFORM TRANSITION DEMONSTRATION PROGRAM.

Subpart 1. **Monthly assistance.** The agency may provide eligible recipients with interest-free monthly assistance loans in the form of monthly payments of a portion of the principal and interest installment due on a tax reform transition demonstration program mortgage on qualifying property. Payments shall not exceed $100 per month and shall decrease by $10 per month or $120 per year each year. The maximum amount of monthly assistance to which a recipient is originally entitled shall be determined by the agency from time to time on the basis of the percentage of income that may reasonably be spent on mortgage payments, the interest rate charged for tax reform transition demonstration program mortgage loans, and general housing and construction costs in Minnesota. However, the initial maximum monthly assistance that the agency shall determine to be available shall not exceed the amounts provided in subparts 2, 3, and 4 for persons and families within the annual gross income ranges in subparts 2, 3, and 4 for various potential interest rates to be charged by the agency on its tax reform transition demonstration program mortgage loans.

Subp. 2. **Assistance in designated central counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright counties.

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

Mortgage Interest Rate		Initial Maximum Monthly Assistance $ 100	$ 80	$ 60	$ 40	$ 20
0- 9.00%	Annual Hshld. Income	0- 21,000	21,001- 22,000	22,001- 23,000	23,001- 24,000	24,001- 25,000
9.01- 9.50%	Annual Hshld. Income	0- 22,000	22,001- 23,000	23,001- 24,000	24,001- 25,000	25,001- 26,000
9.51- 10.00%	Annual Hshld. Income	0- 23,000	23,001- 24,000	24,001- 25,000	25,001- 26,000	26,001- 27,000
10.01- 10.50%	Annual Hshld. Income	0- 24,000	24,001- 25,000	25,001- 26,000	26,001- 27,000	27,001- 28,000
10.51- 11.00%	Annual Hshld. Income	0- 25,000	25,001- 26,000	26,001- 27,000	27,001- 28,000	28,001- 29,000
11.01- and Up	Annual Hshld. Income	0- 26,000	26,001- 27,000	27,001- 28,000	28,001- 29,000	29,001- 30,000

Subp. 3. Assistance in designated outstate counties. The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns counties.

Mortgage Interest Rate		Initial Maximum Monthly Assistance $ 100	$ 80	$ 60	$ 40	$ 20
0- 9.00%	Annual Hshld. Income	0- 15,000	15,001- 16,000	16,001- 17,000	17,001- 18,000	18,001- 19,000
9.01-	Annual Hshld.	0-	16,001-	17,001-	18,001-	19,001-

AUTHENTICATED BY THE REVISOR OF STATUTES OFFICE BY:

9.50%	Income	16,000	17,000	18,000	19,000	20,000
	Annual					
9.51-	Hshld.	0-	17,001-	18,001-	19,001-	20,001-
10.00%	Income	17,000	18,000	19,000	20,000	21,000
	Annual					
10.01-	Hshld.	0-	18,001-	19,001-	20,001-	21,001-
10.50%	Income	18,000	19,000	20,000	21,000	22,000
	Annual					
10.51-	Hshld.	0-	19,001-	20,001-	21,001-	22,001-
11.01-	Income	19,000	20,000	21,000	22,000	23,000
	Annual					
11.01-	Hshld.	0-	20,001-	21,001-	22,001-	23,001-
and Up	Income	20,000	21,000	22,000	23,000	24,000

Subp. 4. **Assistance in all other counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in any county not named in subparts 2 and 3.

Mortgage Interest Rate		Initial Maximum Monthly Assistance				
		$ 100	$ 80	$ 60	$ 40	$ 20
	Annual					
0-	Hshld.	0-	12,001-	13,001-	14,001-	15,001-
9.00%	Income	12,000	13,000	14,000	15,000	16,000
	Annual					
9.01-	Hshld.	0-	13,001-	14,001-	15,001-	16,001-
9.50%	Income	13,000	14,000	15,000	16,000	17,000
	Annual					
9.51-	Hshld.	0-	14,001-	15,001-	16,001-	17,001-
10.00%	Income	14,000	15,000	16,000	17,000	18,000
	Annual					
10.01-	Hshld.	0-	15,001-	16,001-	17,001-	18,001-
10.50%	Income	15,000	16,000	17,000	18,000	19,000
	Annual					
10.51-	Hshld.	0-	16,001-	17,001-	18,001-	19,001-

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

11.00%	Income	16,000	17,000	18,000	19,000	20,000
	Annual					
11.01-	Hshld.	0-	17,001-	18,001-	19,001-	20,001-
and Up	Income	17,000	18,000	19,000	20,000	21,000

4900.1361 HOMEOWNERSHIP ASSISTANCE FUND; DOWN PAYMENT ASSISTANCE UNDER PROGRAM.

The agency may provide interest-free down payment assistance loans to recipients eligible for monthly homeownership assistance under the tax reform transition demonstration program who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required down payment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the down payment assistance loan shall equal the amount by which the sum of the down payment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the down payment or $1,500.

4900.1362 REPAYMENT.

Repayment shall be as provided in part 4900.1350.

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD913

Agency: Housing Finance Agency

Division:

Agency Contact: Kathleen Johnson

Minnesota Rules: Parts 4900.1360 to 4900.1362

Title: Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

Type of Rules: Permanent

Incorporations by Reference: None
Rule Number: Material Incorporated:

Steven C. Cross
Revisor of Statutes

David S. Niss
Assistant Revisor
Phone: 297-2948

Date: March 18, 1986

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the Matter of the Proposed
Rules Relating to
Homeownership Assistance Fund Tax
Reform Transition Demonstration Program
Without a Public Hearing

AFFIDAVIT
OF MAILING

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

That on the 4th day of April, 1986, 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 4th day of April,
1986.

Susan K Noren

Notary Public

SUSAN K. NOREN
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES APRIL 8, 1991

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed
Rules Relating to Homeownership Assistance Fund
Tax Reform Transition Demonstration 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. Sec. 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. Sec. 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 300
400 Sibley Street
St. Paul, Minnesota 55101
Telephone: 612/296-9793

Authority for the adoption of these rules is contained in Minn. Stat. Sec. 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.

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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: April 4, 1986

James J. Solem
Executive Director

Housing Finance Agency

Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

Rules as Proposed (all new material)

HOMEOWNERSHIP ASSISTANCE FUND TAX REFORM TRANSITION DEMONSTRATION PROGRAM

4900.1360 HOMEOWNERSHIP ASSISTANCE FUND UNDER TAX REFORM TRANSITION DEMONSTRATION PROGRAM.

Subpart 1. **Monthly assistance.** The agency may provide eligible recipients with interest-free monthly assistance loans in the form of monthly payments of a portion of the principal and interest installment due on a tax reform transition demonstration program mortgage on qualifying property. Payments shall not exceed $100 per month and shall decrease by $10 per month or $120 per year each year. The maximum amount of monthly assistance to which a recipient is originally entitled shall be determined by the agency from time to time on the basis of the percentage of income that may reasonably be spent on mortgage payments, the interest rate charged for tax reform transition demonstration program mortgage loans, and general housing and construction costs in Minnesota. However, the initial maximum monthly assistance that the agency shall determine to be available shall not exceed the amounts provided in subparts 2, 3, and 4 for persons and families within the annual gross income ranges in subparts 2, 3, and 4 for various potential interest rates to be charged by the agency on its tax reform transition demonstration program mortgage loans.

Subp. 2. **Assistance in designated central counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright counties.

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

Mortgage Interest Rate		Initial Maximum Monthly Assistance $ 100	$ 80	$ 60	$ 40	$ 20
0- 9.00%	Annual Hshld. Income	0- 21,000	21,001- 22,000	22,001- 23,000	23,001- 24,000	24,001- 25,000
9.01- 9.50%	Annual Hshld. Income	0- 22,000	22,001- 23,000	23,001- 24,000	24,001- 25,000	25,001- 26,000
9.51- 10.00%	Annual Hshld. Income	0- 23,000	23,001- 24,000	24,001- 25,000	25,001- 26,000	26,001- 27,000
10.01- 10.50%	Annual Hshld. Income	0- 24,000	24,001- 25,000	25,001- 26,000	26,001- 27,000	27,001- 28,000
10.51- 11.00%	Annual Hshld. Income	0- 25,000	25,001- 26,000	26,001- 27,000	27,001- 28,000	28,001- 29,000
11.01- and Up	Annual Hshld. Income	0- 26,000	26,001- 27,000	27,001- 28,000	28,001- 29,000	29,001- 30,000

Subp. 3. **Assistance in designated outstate counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns counties.

Mortgage Interest Rate		Initial Maximum Monthly Assistance $ 100	$ 80	$ 60	$ 40	$ 20
0- 9.00%	Annual Hshld. Income	0- 15,000	15,001- 16,000	16,001- 17,000	17,001- 18,000	18,001- 19,000
9.01-	Annual Hshld.	0-	16,001-	17,001-	18,001-	19,001-

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

9.50%	Income	16,000	17,000	18,000	19,000	20,000
	Annual					
9.51-	Hshld.	0-	17,001-	18,001-	19,001-	20,001-
10.00%	Income	17,000	18,000	19,000	20,000	21,000
	Annual					
10.01-	Hshld.	0-	18,001-	19,001-	20,001-	21,001-
10.50%	Income	18,000	19,000	20,000	21,000	22,000
	Annual					
10.51-	Hshld.	0-	19,001-	20,001-	21,001-	22,001-
11.01-	Income	19,000	20,000	21,000	22,000	23,000
	Annual					
11.01-	Hshld.	0-	20,001-	21,001-	22,001-	23,001-
and Up	Income	20,000	21,000	22,000	23,000	24,000

Subp. 4. **Assistance in all other counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in any county not named in subparts 2 and 3.

Mortgage Interest Rate		Initial Maximum Monthly Assistance				
		$ 100	$ 80	$ 60	$ 40	$ 20
	Annual					
0-	Hshld.	0-	12,001-	13,001-	14,001-	15,001-
9.00%	Income	12,000	13,000	14,000	15,000	16,000
	Annual					
9.01-	Hshld.	0-	13,001-	14,001-	15,001-	16,001-
9.50%	Income	13,000	14,000	15,000	16,000	17,000
	Annual					
9.51-	Hshld.	0-	14,001-	15,001-	16,001-	17,001-
10.00%	Income	14,000	15,000	16,000	17,000	18,000
	Annual					
10.01-	Hshld.	0-	15,001-	16,001-	17,001-	18,001-
10.50%	Income	15,000	16,000	17,000	18,000	19,000
	Annual					
10.51-	Hshld.	0-	16,001-	17,001-	18,001-	19,001-

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

11.00%	Income	16,000	17,000	18,000	19,000	20,000
	Annual					
11.01-	Hshld.	0-	17,001-	18,001-	19,001-	20,001-
and Up	Income	17,000	18,000	19,000	20,000	21,000

4900.1361 HOMEOWNERSHIP ASSISTANCE FUND; DOWN PAYMENT ASSISTANCE UNDER PROGRAM.

The agency may provide interest-free down payment assistance loans to recipients eligible for monthly homeownership assistance under the tax reform transition demonstration program who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required down payment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the down payment assistance loan shall equal the amount by which the sum of the down payment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the down payment or $1,500.

4900.1362 REPAYMENT.

Repayment shall be as provided in part 4900.1350.

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD913

Agency: Housing Finance Agency

Division:

Agency Contact: Kathleen Johnson

Minnesota Rules: Parts 4900.1360 to 4900.1362

Title: Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

Type of Rules: Permanent

Incorporations by Reference: None
Rule Number: Material Incorporated:

Steven C. Cross
Revisor of Statutes

David S. Niss
Assistant Revisor
Phone: 297-2948
Date: March 18, 1986

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

MAILING LIST CERTIFICATE

In the Matter of the Proposed
Rules Relating to
Homeownership Assistance Fund Tax
Reform Transition Demonstration 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 4th day of April, 1986.

Kathleen J. Johnson

Kathleen J. Johnson

PROPOSED RULES

Pursuant to Minn. Stat. of 1984, §§ 14.22, 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 25 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 the modifications are supported by the data and views submitted.**

If, during the 30-day comment period, 25 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 §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Housing Finance Agency

Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration 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. Sec. 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. Sec. 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 300
400 Sibley Street
St. Paul, Minnesota 55101
Telephone: 612/296-9793

Authority for the adoption of these rules is contained in Minn. Stat. Sec. 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.

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 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. Sec. 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.

April 4, 1986

James J. Solem
Executive Director

Rules as Proposed (all new material)

HOMEOWNERSHIP ASSISTANCE FUND TAX

REFORM TRANSITION DEMONSTRATION PROGRAM

4900.1360 HOMEOWNERSHIP ASSISTANCE FUND UNDER TAX REFORM TRANSITION DEMONSTRATION PROGRAM.

Subpart 1. **Monthly assistance.** The agency may provide eligible recipients with interest-free monthly assistance loans in the form of monthly payments of a portion of the principal and interest installment due on a tax reform transition demonstration program mortgage on qualifying property. Payments shall not exceed $100 per month and shall decrease by $10 per month or $120 per year each year. The maximum amount of monthly assistance to which a recipient is originally entitled shall be determined by the agency from time to time on the basis of the percentage of income that may reasonably be spent on mortgage payments, the interest rate charged for tax reform transition demonstration program mortgage loans, and general housing and construction costs in Minnesota. However, the initial maximum monthly assistance that the agency shall determine to be available shall not exceed the amounts provided in subparts 2, 3, and 4 for persons and families within the annual gross income ranges in subparts 2, 3, and 4 for various potential interest rates to be charged by the agency on its tax reform transition demonstration program mortgage loans.

Subp. 2. **Assistance in designated central counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright counties.

Mortgage Interest Rate		Initial Maximum Monthly Assistance				
		$ 100	$ 80	$ 60	$ 40	$ 20
0-9.00%	Annual Hshld. Income	0-21,000	21,001-22,000	22,001-23,000	23,001-24,000	24,001-25,000
9.01-9.50%	Annual Hshld. Income	0-22,000	22,001-23,000	23,001-24,000	24,001-25,000	25,001-26,000
9.51-10.00%	Annual Hshld. Income	0-23,000	23,001-24,000	24,001-25,000	25,001-26,000	26,001-27,000
10.01-10.50%	Annual Hshld. Income	0-24,000	24,001-25,000	25,001-26,000	26,001-27,000	27,001-28,000
10.51-11.00%	Annual Hshld. Income	0-25,000	25,001-26,000	26,001-27,000	27,001-28,000	28,001-29,000
11.01-and Up	Annual Hshld. Income	0-26,000	26,001-27,000	27,001-28,000	28,001-29,000	29,001-30,000

Subp. 3. **Assistance in designated outstate counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns counties.

Mortgage Interest Rate		Initial Maximum Monthly Assistance				
		$ 100	$ 80	$ 60	$ 40	$ 20
0-9.00%	Annual Hshld. Income	0-15,000	15,001-16,000	16,001-17,000	17,001-18,000	18,001-19,000
9.01-9.50%	Annual Hshld. Income	0-16,000	16,001-17,000	17,001-18,000	18,001-19,000	19,001-20,000
9.51-10.00%	Annual Hshld. Income	0-17,000	17,001-18,000	18,001-19,000	19,001-20,000	20,001-21,000
10.01-10.50%	Annual Hshld. Income	0-18,000	18,001-19,000	19,001-20,000	20,001-21,000	21,001-22,000
10.51-11.01-	Annual Hshld. Income	0-19,000	19,001-20,000	20,001-21,000	21,001-22,000	22,001-23,000
11.01-and Up	Annual Hshld. Income	0-20,000	20,001-21,000	21,001-22,000	22,001-23,000	23,001-24,000

Subp. 4. **Assistance in all other counties.** The loans provided for in subpart 1 may be made in the following amounts to eligible recipients whose qualifying property is in any county not named in subparts 2 and 3.

Mortgage Interest Rate		Initial Maximum Monthly Assistance				
		$ 100	$ 80	$ 60	$ 40	$ 20
0-9.00%	Annual Hshld. Income	0-12,000	12,001-13,000	13,001-14,000	14,001-15,000	15,001-16,000
9.01-9.50%	Annual Hshld. Income	0-13,000	13,001-14,000	14,001-15,000	15,001-16,000	16,001-17,000
9.51-10.00%	Annual Hshld. Income	0-14,000	14,001-15,000	15,001-16,000	16,001-17,000	17,001-18,000
10.01-10.50%	Annual Hshld. Income	0-15,000	15,001-16,000	16,001-17,000	17,001-18,000	18,001-19,000
10.51-11.00%	Annual Hshld. Income	0-16,000	16,001-17,000	17,001-18,000	18,001-19,000	19,001-20,000
11.01-and Up	Annual Hshld. Income	0-17,000	17,001-18,000	18,001-19,000	19,001-20,000	20,001-21,000

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.

4900.1361 HOMEOWNERSHIP ASSISTANCE FUND; DOWN PAYMENT ASSISTANCE UNDER PROGRAM.

The agency may provide interest-free down payment assistance loans to recipients eligible for monthly homeownership assistance under the tax reform transition demonstration program who are determined, on the basis of normal credit procedures, to lack the cash or land equity necessary to pay the required down payment, plus closing costs, expenses, and origination fees on the dwelling to be purchased. The amount of the down payment assistance loan shall equal the amount by which the sum of the down payment, closing costs, expenses, and origination fees exceeds five percent of the purchase price of the dwelling, but it shall not exceed the lesser of 50 percent of the down payment or $1,500.

4900.1362 REPAYMENT.

Repayment shall be as provided in part 4900.1350.

Department of Jobs and Training

Proposed Rules Relating to Youth Employment Opportunity

Notice of Intent to Adopt Rules without Public Hearing

Notice is hereby given that the Department proposes to amend the above-entitled rules without a public hearing. The Commissioner has determined that the proposed amendment of the rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28.

The amendment of the rules is authorized by Minnesota Statutes, sections 268.021 and 268.33 which require the Department to make rules to implement the Youth Employment Opportunities Program.

The public is encouraged to comment on the proposed rules. The public shall have 30 days to submit comment in support of or in opposition to the proposed rules. Each comment should identify the portion of the proposed rules addressed, the reason for comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change in the proposed language.

If 25 or more persons submit written requests for a public hearing within the 30-day comment period, a public hearing will be held. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. In the event a public hearing is required, the Department will proceed according to the provisions of Minnesota Statutes, sections 14.22 to 14.28.

If a public hearing is not required, notice of the date of submission of the proposed rules to the Administration Division of the Office of the Attorney General for review will be mailed to any person requesting to receive the notice.

Comments, written requests for a public hearing, written requests for a free copy of the proposed rules, and requests for notice of the date of submission to the Attorney General should be submitted to:

Lawrence Cheetham
Youth Services Supervisor
Department of Jobs and Training
690 American Center Building
150 East Kellogg Blvd.
St. Paul, MN 55101
(612) 296-6734

Additionally, a Statement of Need and Reasonableness that describes the need for and reasonableness of each amendment to the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available upon request from Lawrence Cheetham at the above address.

A copy of the proposed rules follows this notice.

March 18, 1986

Joseph Samargia, Commissioner
Department of Jobs and Training

Rules as Proposed

3300.0100 DEFINITION OF TERMS.

Subpart 1. and 2. [Unchanged.]

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed
Rules Relating to
Homeownership Assistance Fund Tax
Reform Transition Demonstration 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 22nd day of May, 1986, 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 Homeownership Assistance Fund Tax Reform Transition Demonstration 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 my name this 22nd day of May, 1986.

Robert A. Worthington
Chairman

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules
Relating to Homeownership Assistance Fund
Tax Reform Transition Demonstration Program

Statement of Need and Reasonableness

Minnesota Rule Part 4900.1360.

Minnesota Statutes Section 462A.21, Subdivision 8, authorizes the Minnesota Housing Finance Agency (MHFA) to establish a homeownership assistance fund (HAF) on terms and conditions it deems advisable, to assist persons of low and moderate income in paying installments of eligible loans for affordable housing and in providing the required equity investment enabling such persons to purchase an affordable home.

The present income limits and initial maximum monthly assistance levels for HAF loans are found in part 4900.1330, subparts 2 and 3 of the permanent rules of the MHFA. These HAF monthly assistance rules established limits based on the interest rate of the first mortgage and on the borrower's "adjusted income," which is, in turn, determined pursuant to a formula set forth in part 4900.0010, subpart 3 of MHFA's permanent rules. Subpart 3 of part 4900.0010 provides specified deductions which are taken from actual gross income to arrive at an adjusted gross income. A certain level of deductions was consequently anticipated when the above-mentioned rules for adjusted income limits and initial maximum monthly assistance levels for HAF were promulgated.

In December, 1985, the House of Representatives passed the Tax Reform Bill of 1985, H.R. 3838, which establishes very specific income targeting provisions to which MHFA will be required to rigorously adhere in its single family mortgage programs, including HAF. The bill provides for income targeting by actual gross income as opposed to "adjusted income" or any facsimile thereof, and establishes severe penalties for noncompliance. This bill may or may not become law, dependent upon future action of the Congress. However, MHFA wishes to establish rules for HAF in anticipation of H.R. 3838 becoming law, so that MHFA operations pertaining to HAF may be implemented in that event.

Accordingly, MHFA has proposed rules for HAF under a "Tax Reform Demonstration Program," which will be implemented only in the event that H.R. 3838 becomes law. The difference in this rule in comparison to previous rules is that the income limits are provided for actual gross

income as opposed to adjusted gross income. This is essential in that under H.R. 3838, it will be imperative to track actual gross incomes to meet the provisions of the law, and the income adjustments under adjusted income formulas provide a statistical bias for which it will be administratively impossible to compensate.

Under the proposed rule, MHFA continues to provide a set 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 meet MHFA's cost of money, as determined in each bond sale.

Under the proposed rule, the actual gross income limits and initial maximum monthly assistance levels will allow a household to purchase a $60,000 home in the "designated central counties," a $45,600 home in the "designated outstate counties," and a $40,000 home in all other counties. These home purchase price levels are substantially below the purchase price limits established by MHFA for the Single Family Mortgage Loan Program (which would include the Tax Reform Transition Demonstration Program), i.e. $83,000 in the "designated central counties," $67,000 in "designated outstate counties," and $63,000 in "all other counties," because MHFA believes that (a) households requiring a HAF subsidy need not purchase the highest price home that the Single Family Mortgage Loan Program would allow, and (b) the additional amount of subsidy needed to reach higher homes would be cost prohibitive and an ineffective use of public funds.

Minnesota Rules Parts 4900.1361 and 4900.1362.

Parts 4900.1361 and 4900.1362 set forth the criteria for awarding HAF loans and securing their repayment currently found in existing parts 4900.1340 and 4900.1350, which criteria and requirements are both reasonable and necessary to implement the HAF Tax Reform Transition Demonstration Program.

The Agency is cognizant of the provisions of Section 14.115 of Minnesota Statutes, entitled Small Business Considerations in Rulemaking. To the extent that the Homeownership Assistance Fund loans directly benefit the low and moderate income purchasers of single family homes under the Agency's Program, the statute is inapplicable. To the extent that the funds may indirectly inure to the benefit of small businesses, the effect of the rule is to make Agency purchase money mortgage financing more feasible and sales of home more achievable; and, as a consequence, the proposed regulations have no negative effect on small businesses.

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program

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: 5/27/86

Karl J. Herman
Special Assistant Attorney General

MINNESOTA HOUSING FINANCE AGENCY

May 27, 1986

Ms. Judith Wehrwein
Room 204 Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

RE: In the Matter of the Proposed Rules Relating to Homeownership Assistance Fund Tax Reform Transition Demonstration Program Without a Public Hearing

Dear Ms. Wehrwein:

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

Sincerely,

James J. Solem
Executive Director

JJS/kjj

Encs.