


# Minnesota Attorney General: Administrative Rules Proceedings

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SF-00006-05 (4/86)

STATE OF MINNESOTA

# Office Memorandum

DEPARTMENT : ATTORNEY GENERAL

DATE : May 8, 1987

TO : M. J. TERO
Director, Multi Family Development

FROM : MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE : 6-6204

SUBJECT : In the Matter of the Adopted Rules Relating to Income Limits for Tax Reform Transition Demonstration Program

The above-referenced rule has been approved as to its legality by the Attorney General on May 6, 1987.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth 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.

MJC:nah

Enclosures

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

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RULE REVIEW CHECKLIST

File No. 1364 Docket No. 05.0009.0450

DATE RECEIVED 4/27/87
REVIEW DATE 5/6/87
DUE DATE 5/11/87

APPROVED 5.6.87 mjc
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING X
EMERGENCY RULE

REVISOR APPROVED
REVISOR DISAPPROVED
FILED W/SEC. STATE
RETURNED TO AGENCY

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✓ Rule as adopted (4 copies)

___ ~~Notice to Solicit Outside Information/Opinion~~
Date published in State Register
Comments

___ ~~Petition for Adoption of a Rule~~

✓ Board's Authorizing Resolution

✓ Proposed rule
yes Revisor's Certificate

✓ Notice of Intent to Adopt Rule
462A.06 Subd 4+11 Statutory Authority
no Small business statement
no Expenditure of public money statement
Yes Signature

✓ Statement of Need and Reasonableness

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
Mar 13, 1987 Date 30/25 days before adoption

✓ Publication in State Register
Mar 16, 1987 Date 30/25 days before adoption

✓ Resolution Adopting

✓ Findings of Fact, Conclusions & Order Adopting
April 23, 1987 Date

___ ~~Written requests, submissions or comments~~

✓ Declaration of attorney
Karl Herman Name of SAAG representing agency

✓ Mailing List Certificate
~~Notice of Submission to Attorney General~~

✓ Order for Notice of Intent to Adopt Rules
~~Affidavit of Mailing Notice to Attorney General~~

Housing Finance Agency

Adopted Permanent Rule Relating to Income Limits for Tax Reform Transition Demonstration Program

Rules as Adopted

INCOME LIMITS FOR TAX REFORM
TRANSITION DEMONSTRATION PROGRAM

4900.0381 INCOME LIMITS FOR TAX REFORM TRANSITION DEMONSTRATION PROGRAM.

For the purpose of tax reform transition demonstration program loans, "persons and families of low and moderate income" means those persons and families whose annual projected gross income does not exceed the amounts set forth in items A and B 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. "Gross annual income" means the income from all sources, and before taxes or withholding, of all the residents, age 18 and over, of a housing unit.

A. The following limits constitute maximum gross income for loans for new construction:

(1) in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $34,000 |
| 9.01 - 9.50 | $35,000 |
| 9.51 - 10.00 | $36,000 |
| 10.01 - 10.50 | $37,000 |
| 10.51 - 11.00 | $37,900 |
| 11.01 and Over | $37,900 |

(2) in the counties of Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns:

| Mortgage | Maximum |
|---|---|

| Interest Rate | Gross Income |
|---|---|
| 0 - 9.00 | $27,000 |
| 9.01 - 9.50 | $28,000 |
| 9.51 - 10.00 | $29,000 |
| 10.01 - 10.50 | $30,000 |
| 10.51 - 11.00 | $31,000 |
| 11.01 and Over | $32,000 |

(3) in all other counties:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $25,000 |
| 9.01 - 9.50 | $26,000 |
| 9.51 - 10.00 | $27,000 |
| 10.01 - 10.50 | $28,000 |
| 10.51 - 11.00 | $29,000 |
| 11.01 and Over | $30,000 |

B. The following limits constitute maximum gross income for loans for existing construction:

(1) in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $30,000 |
| 9.01 - 9.50 | $31,000 |
| 9.51 - 10.00 | $32,000 |
| 10.01 - 10.50 | $33,000 |
| 10.51 - 11.00 | $34,000 |
| 11.01 and Over | $35,000 |

(2) in the counties of Benton, Blue Earth, Clay, Nicollet, Olmstead, St. Louis, Sherburne, and Stearns:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $22,000 |
| 9.01 - 9.50 | $23,000 |
| 9.51 - 10.00 | $24,000 |
| 10.01 - 10.50 | $25,000 |

| | |
|---|---|
| 10.51 - 11.00 | $26,000 |
| 11.01 and Over | $27,000 |

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| Mortgage Interest Rate | Maximum Gross Income |
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| 0 - 9.00 | $20,000 |
| 9.01 - 9.50 | $21,000 |
| 9.51 - 10.00 | $22,000 |
| 10.01 - 10.50 | $23,000 |
| 10.51 - 11.00 | $24,000 |
| 11.01 and Over | $25,000 |

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAY – 7 1987

Joan Anderson Growe
Secretary of State

3:06 pm

APPROVED AS TO FORM AND LEGALITY

May 6 1987

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Martha V Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

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 26th day of February, 1987, 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 Income Limits for 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 26th day of February, 1987.

Robert A. Worthington

Chairman

Housing Finance Agency

Proposed Permanent Rule Relating to Income Limits for Tax Reform Transition Demonstration Program

Rules as Proposed (all new material)

INCOME LIMITS FOR TAX REFORM
TRANSITION DEMONSTRATION PROGRAM

4900.0381 INCOME LIMITS FOR TAX REFORM TRANSITION DEMONSTRATION PROGRAM.

For the purpose of tax reform transition demonstration program loans, "persons and families of low and moderate income" means those persons and families whose annual projected gross income does not exceed the amounts set forth in items A and B 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. "Gross annual income" means the income from all sources, and before taxes or withholding, of all the residents, age 18 and over, of a housing unit.

A. The following limits constitute maximum gross income for loans for new construction:

(1) in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright:

| Mortgage Interest Rate | Maximum Gross Income |
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| 0 - 9.00 | $34,000 |
| 9.01 - 9.50 | $35,000 |
| 9.51 - 10.00 | $36,000 |
| 10.01 - 10.50 | $37,000 |
| 10.51 - 11.00 | $37,900 |
| 11.01 and Over | $37,900 |

(2) in the counties of Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns:

| Mortgage | Maximum |
|---|---|



Approved by Revisor

| Interest Rate | Gross Income |
|---|---|
| 0 - 9.00 | $27,000 |
| 9.01 - 9.50 | $28,000 |
| 9.51 - 10.00 | $29,000 |
| 10.01 - 10.50 | $30,000 |
| 10.51 - 11.00 | $31,000 |
| 11.01 and Over | $32,000 |

(3) in all other counties:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $25,000 |
| 9.01 - 9.50 | $26,000 |
| 9.51 - 10.00 | $27,000 |
| 10.01 - 10.50 | $28,000 |
| 10.51 - 11.00 | $29,000 |
| 11.01 and Over | $30,000 |

B. The following limits constitute maximum gross income for loans for existing construction:

(1) in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $30,000 |
| 9.01 - 9.50 | $31,000 |
| 9.51 - 10.00 | $32,000 |
| 10.01 - 10.50 | $33,000 |
| 10.51 - 11.00 | $34,000 |
| 11.01 and Over | $35,000 |

(2) in the counties of Benton, Blue Earth, Clay, Nicollet, Olmstead, St. Louis, Sherburne, and Stearns:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $22,000 |
| 9.01 - 9.50 | $23,000 |
| 9.51 - 10.00 | $24,000 |
| 10.01 - 10.50 | $25,000 |



Approved by Revisor _____

| | |
|---|---|
| 10.51 - 11.00 | $26,000 |
| 11.01 and Over | $27,000 |

(3) in all other counties:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $20,000 |
| 9.01 - 9.50 | $21,000 |
| 9.51 - 10.00 | $22,000 |
| 10.01 - 10.50 | $23,000 |
| 10.51 - 11.00 | $24,000 |
| 11.01 and Over | $25,000 |



Approved
by Revisor _____

# Office of the Revisor of Statutes

## Administrative Rules

**TITLE:** Proposed Permanent Rules Relating to Income Limits For Tax Reform Transition Demonstration Program

**AGENCY:** Housing Finance Agency

**MINNESOTA RULES:** Chapter 4900

The attached rules are approved for publication in the State Register

David S. Niss
Assistant Revisor

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules Relating to Income Limits for 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: 612/296-9794

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: March 13, 1987

James J. Solem
Executive Director

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules
Relating to Income Limits for Tax Reform
Transition Demonstration Program

## Statement of Need and Reasonableness

4900.0381

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. For most of the Agency's home mortgage programs, the sources for definition of low and moderate income persons and families are two Agency Rules; Minn. Rules pt. 4900.0010, Subp. 23 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 of Minn. Rules pt. 4900.0010, Subp. 3. The formula for adjusted income provides that certain deductions be taken from actual gross income to arrive at an adjusted gross income.

On October 22, 1986, President Reagan signed the Tax Reform Act of 1986 (the Act) into law. This law provided very stringent income targeting provisions to which MHFA will be required to rigorously adhere in its home mortgage programs. The Act provides that the Agency may only provide mortgage financing to mortgagors whose family income is 115% or less of "applicable median family income" as determined by the Secretary of the Treasury; and, in so doing, must provide for income targeting based on actual gross income as opposed to adjusted income or any similar formula. The Act also provides for severe penalties for non-compliance.

At this time, no U.S. Treasury Department regulations implementing the Act have been promulgated pertaining to the Agency's programs. However, the Agency wishes by the proposed rule to establish income limits which may be used for its home mortgage programs which comply with the provisions of the Act to the best of its present understanding. This will enable the Agency to continue its home mortgage programs in the interim between passage of the Act and the issuance of U.S. Treasury Department regulations implementing its applicable provisions. The Agency anticipates establishing new rules for income limits at the time final Treasury regulations are issued.

Paragraphs A and B of the proposed rule differ from the rules described in the first paragraph above in that; first, no income limit established exceeds 115% of median income for the various areas of the

state set forth as prescribed by the Department of Housing and Urban Development (HUD) and; second, the income limits set forth are based on gross, as opposed to adjusted gross income. HUD limits are used since they were referenced in the Act to be used for such purposes. Actual gross income is used since it is essential under the Act to track such income, and adjusted income formulas provide a statistical bias for which it will be administratively impossible to compensate.

The proposed rule employs a set of income limits based upon the cost of obtaining money, rather than one income limit. This is both reasonable and necessary because uncertain bond market conditions make it difficult to implement a program based upon one income limit, in that 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 Section 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 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 the proposed rule. 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 various Agency Programs under this rule.

The second criterion specified in the statutory definitions of persons and families of low and moderate income is the size of the family. For reasons cited above, adjustments for family size as previously provided in the adjusted income formula may no longer be reasonably used under federal law, but have been taken into account in the statute by reference to federal income limits.

The third criterion specified in the statute as set forth above is the cost and condition of housing facilities available. While the cost of both new and existing homes has remained stable in all other counties of Minnesota, costs in Metropolitan Statistical Areas and counties of high population density have continued to increase in recent years, and should continue to rise in the immediate future. The proposed set of income limits in Paragraphs A and B of the proposed rule will allow a household to purchase a new home at $85,000 in the ten county Minneapolis/St. Paul Metropolitan Statistical Area, $67,000 in Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne and Stearns counties, or $63,000 in all other counties; or an existing home at

$75,000 in the ten county Minneapolis/St. Paul Metropolitan Statistical Area, $57,000 in Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne and Stearns counties, or $50,000 in all other counties. In light of current median house prices for new and existing homes, these home prices are reasonable.

The fourth criterion specified in the statute is the ability of such persons and families to compete in the normal housing market. The range of income limits provided allows income limits to be established for a variety of market conditions. For example, the current Agency home mortgage program interest rate is 7.85% versus a 9 1/2% conventional rate and, thus, less income is needed to qualify for its loan. As market and Agency interest rates increase, the relationship becomes more pronounced, as in 1985 when the Agency rate was 9.95% and conventional rates were 12 1/2%. Under the proposed rule, no limits are established for rates under 9% as lower income limits would preclude homeowners in many markets from access to favorable Agency terms.

In summary, the Agency, through these proposed rules, offers a family of lower income the ability to purchase housing of comparable cost by virtue of the Agency's capacity to provide below market interest rate financing.

The Agency is mindful of the provisions of Section 14.115 of Minnesota Statutes, entitled Small Business Considerations in Rulemaking, but since the recipients of home mortgage loans under the proposed regulation must be natural persons and families of low and moderate income who purchase a home with a first mortgage from the Agency, the regulation does not affect small businesses directly, and the said law, by its terms, is inapplicable to this proposed regulation. Further, to the extent that the Agency loans which are the subject of this regulation may have an indirect effect on small businesses, the effect of the proposed rule is to make such loans more capable of feasible underwriting, and, consequently, more obtainable; and, as a result, the proposed rule has no negative effect on small businesses.

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the Matter of the Proposed
Rules Relating to
Income Limits for Tax Reform
Transition Demonstration Program
Without a Public Hearing

AFFIDAVIT
OF MAILING

Susan K. Noren, being first duly sworn, deposes and says:

That on the 13th day of March, 1987, 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.

Susan K. Noren

Susan K. Noren

Subscribed and sworn to before
me this 13th day of March,
1987.

Notary Public

R. M. KORAN
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES AUGUST 30, 1992

# Housing Finance Agency

## Proposed Permanent Rule Relating to Income Limits for 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 requests to:

Kathleen J. Johnson
Legal Division
Minnesota Housing Finance Agency
Suite 300
400 Sibley Street
St. Paul, Minnesota 55101
Telephone: (612) 296-9794

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.

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(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.

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.

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: March 13, 1987

James J. Solem
Executive Director

**Rules as Proposed (all new material)**

**INCOME LIMITS FOR TAX REFORM TRANSITION DEMONSTRATION PROGRAM**

**4900.0381 INCOME LIMITS FOR TAX REFORM TRANSITION DEMONSTRATION PROGRAM.**

For the purpose of tax reform transition demonstration program loans, "persons and families of low and moderate income" means those persons and families whose annual projected gross income does not exceed the amounts set forth in items A and B 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. "Gross annual income" means the income from all sources, and before taxes or withholding, of all the residents, age 18 and over, of a housing unit.

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| 10.01 - 10.50 | $37,000 |
| 10.51 - 11.00 | $37,900 |
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(2) in the counties of Benton, Blue Earth, Clay, Nicollet, Olmsted, St. Louis, Sherburne, and Stearns:

| Mortgage Interest Rate | Maximum Gross Income |
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| 10.01 - 10.50 | $30,000 |
| 10.51 - 11.00 | $31,000 |
| 11.01 and Over | $32,000 |

(3) in all other counties:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $25,000 |
| 9.01 - 9.50 | $26,000 |
| 9.51 - 10.00 | $27,000 |
| 10.01 - 10.50 | $28,000 |
| 10.51 - 11.00 | $29,000 |
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B. The following limits constitute maximum gross income for loans for existing construction:

(1) in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright:

| Mortgage Interest Rate | Maximum Gross Income |
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| 9.01 - 9.50 | $31,000 |
| 9.51 - 10.00 | $32,000 |
| 10.01 - 10.50 | $33,000 |
| 10.51 - 11.00 | $34,000 |
| 11.01 and Over | $35,000 |

(2) in the counties of Benton, Blue Earth, Clay, Nicollet, Olmstead, St. Louis, Sherburne, and Stearns:

| Mortgage Interest Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $22,000 |
| 9.01 - 9.50 | $23,000 |
| 9.51 - 10.00 | $24,000 |
| 10.01 - 10.50 | $25,000 |
| 10.51 - 11.00 | $26,000 |
| 11.01 and Over | $27,000 |

(3) in all other counties:

| Mortgage Intereset Rate | Maximum Gross Income |
|---|---|
| 0 - 9.00 | $20,000 |
| 9.01 - 9.50 | $21,000 |
| 9.51 - 10.00 | $22,000 |
| 10.01 - 10.50 | $23,000 |
| 10.51 - 11.00 | $24,000 |
| 11.01 and Over | $25,000 |

# Department of Human Services

## Proposed Permanent Rules Relating to Medical Assistance Payment

### Notice of Hearing

NOTICE IS HEREBY GIVEN that a public hearing on the above-entitled matter will be held in the Veterans Home Auditorium, Building 15, 5101 Minnehaha Avenue South, Minneapolis, MN 55417 on April 15 and 16, 1987 commencing at 9:00 a.m. and continuing until all interested or affected persons have an opportunity to participate. The proposed rules may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed rules, you are urged to participate in the rule hearing process.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to participate. Such persons may present their views either orally at the hearing or in writing at any time prior to the close of the hearing record. All evidence presented should be pertinent to the matter at hand. Written material not submitted at the time of the hearing which is to be included in the hearing record may be mailed to Peter Erickson, Administrative Law Judge, Office of Administrative Hearings, 400 Summit Bank Building, 310 Fourth Avenue South, Minneapolis, Minnesota 55415; telephone (612) 341-7606, either before the hearing or within five working days after the public hearing ends. The Administrative Law Judge, may at the hearing, order the record be kept open for a longer period not to exceed 20 calendar days. The comments received during the comment period shall be available for review at the Office of Administrative Hearings. Following the close of the comment period the agency and all interested persons have three business days to respond in writing to any new information submitted during the comment period. During the three-day period, the agency may indicate in writing whether there are amendments suggested by other persons which the agency is willing to adopt. No additional evidence may be submitted during the three-day period. The written responses shall be added to the rulemaking record. Upon the close of the record the Administrative Law Judge will write a report as provided for in Minnesota Statutes, section 14.50. The rule hearing is governed by Minnesota Statutes, section 14.01 to 14.56 and by Minnesota Rules, parts 1400.0200 to 1400.1200. Questions about procedure may be directed to the Administrative Law Judge.

Minnesota Rules, parts 9505.0170 to 9505.0475 establish the conditions to participate as a provider of medical assistance services; the services that are eligible for medical assistance payment and the limitations on the frequency with which the same or similar services may be covered by medical assistance for an individual recipient; the recipient's right to choose a provider; professional services advisory committee; competitive bidding provisions; records to be kept by providers; billing procedures; payment limitation

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
Rules Relating to
Income Limits for 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 23rd day of April, 1987, 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 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 23rd day of April, 1987.

Robert A. Worthington
Chairman

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

| | |
|---|---|
| In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Relating to Income Limits for Tax Reform Transition Demonstration Program | FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING |

Notice of the Board's intent to adopt the above-entitled rule was published in the State Register on March 16, 1987 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on March 13, 1987. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the agency.

No submissions or comments on the rule were received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rules identified as 4900.0381, and related to the Income Limits for Tax Reform Transition Demonstration program are adopted this 23rd day of April, 1987, pursuant to authority vested in me by Minnesota Statutes, sections 462A.06 subd. 3 and 11 and by a resolution of the Board of the Minnesota Housing Finance Agency dated the 23rd day of April, 1987.

M.J. Tero, Director
Multi Family Development

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules Relating to Income Limits for 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: 4/24/87

Karl J. Herman
Special Assistant Attorney General

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

MAILING LIST CERTIFICATE

In the Matter of the Proposed
Rules Relating to
Income Limits for 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 13th day of March, 1987.

Susan K. Noren

Susan K. Noren

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Rules Relating to Income Limits for Tax Reform Transition Demonstration Program

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

It is ordered this 26th day of February, 1987 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

MINNESOTA HOUSING FINANCE AGENCY

RECEIVED
ATTORNEY GENERAL'S OFFICE

APR 27 1987

April 24, 1987

204 ADMINISTRATION BLDG.
50 SHERBURNE AVENUE
ST. PAUL, MN 55155

Ms. Rita Desmond
Room 204 Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

RE: In the Matter of the Proposed Rules Relating to Income Limits for Tax Reform Transition Demonstration Program Without a Public Hearing

Dear Ms. Desmond:

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;

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;

Findings of Fact, Conclusions, and Order Adopting Rule Without Public Hearing;

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,

M.J. Tero, Director
Multi Family Development

MJT/kjj

Encs.

Notice of Intent: See Checklist

Authority 462A.06 Subd 4+11