

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
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SF-00006-05 (4/86)

DEPARTMENT : ATTORNEY GENERAL

STATE OF MINNESOTA

Office Memorandum

DATE : March 12, 1990

TO : JAMES J. SOLEM, Commissioner
Housing Finance Agency
400 Sibley Street, Suite 300 (55101)

FROM : CHARLENE HATCHER CH
Special Assistant Attorney General
525 Park Street, Suite 404 (55103)

PHONE : 296-9422

SUBJECT : In the Matter of the Adopted Permanent Rule Relating to Income Limits for Limited Unit Developments

The above-referenced Permanent rule has been approved as to its legality by the Attorney General on March 8, 1990.

Enclosed is your 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, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of the notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published 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.

CH:bbl
Enclosures
cc: William Brown, Chief Judge (memo only)
MaryAnn Hruby " "
William Kuretsky " "

CH

RULE REVIEW CHECKLIST

File No. 1678 — Docket No. 05.0009.0450

DATE RECEIVED 2-28-90 — ADOPTED W/O HEARING X

REVIEW DATE 3-9-90 — EMERGENCY RULE _____

DUE DATE 3-14-90 — To Revisor 2-28-90

REVISOR APPROVED Rec 3-7-90

APPROVED 3-8-90 — REVISOR DISAPPROVED _____

DISAPPROVED _____ — FILED W/SEC. OF STATE 3-12-90

WITHDRAWN _____ — RETURNED TO AGENCY _____

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4 Rule as adopted (4 copies)

_____ Notice to Solicit Outside Information/Opinion (if applicable)
- _____ Date published in State Register
- _____ Comments

_____ Petition for Adoption of a Rule (if applicable)

✓ Board's Authorizing Resolution
- Nov 16, 1989 Date adopted

✓ Proposed Rule
- ✓ Revisor's Certificate missing Rec 3-6-90 PN

✓ Notice of Intent to Adopt Rule
- 46 2A.06 and 04+11 Statutory Authority
- _____ Small Business Statement
- _____ Expenditure of public money statement
- Dec 22, 1989 Signature

✓ Statement of Need and Reasonableness (if applicable)
- ✓ Small Business Statement
- _____ Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
- Dec 22, 1989 Date (30/25 days before adoption)
- ✓ Notice attached
- _____ Copy of rule or summary attached

✓ Publication in State Register
- Dec 26, 1989 Date (30/25 days before adoption)

✓ 180-day deadline from:
- NA Effective date of law requiring rule (14.12) (both rules) not mandatory
- ✓ end of comment period (§ 14.26) (rules without hearing)
- _____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
- Feb 22, 1990 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
- Feb 22, 1990 Date

_____ Written requests, submissions or comments

_____ Declaration of attorney
- William Kuretsky Name of SAAG representing agency

✓ Notice of Submission to Atty. Gen. (if applicable)

_____ Aff. of Mailing Notice to Atty. Gen. (if applicable)

* called Teresa on 3-2-90

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to Income Units, Limited Unit Developments

Rules as Adopted

4900.0010 DEFINITIONS.

[For text of subps 1 to 22, see M.R. 1989]

Subp. 23. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means:

A. With respect to limited-unit mortgage loans pursuant to parts 4900.0310 to 4900.0360, except for loans issued under parts 4900.0370 and 4900.0380, development cost loans pursuant to parts 4900.0210 to 4900.0240, planning grants pursuant to parts 4900.0410 and 4900.0420, and American Indian housing loans pursuant to parts 4900.0900 to 4900.1080, which loans and grants are intended for a limited-unit development, or a dwelling unit in a planned unit development or a condominium, those persons and families whose adjusted income does not exceed the amounts set forth in the following tables or such lower amount as shall be required to assure that the interest on obligations of the agency will be exempt from federal income taxation.

(1) Maximum adjusted income for loans for new construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$37,500
10.01 - 10.50%	$38,500
10.51 - 11.00%	$39,500
11.01 - 11.50%	$40,500
11.51% and over	$41,500

(b) in the counties of Clay, Nicollet, and Olmsted:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$32,000
10.01 - 10.50%	$33,000
10.51 - 11.00%	$34,000
11.01 - 11.50%	$35,000
11.51% and over	$36,000

(c) in the counties of Benton, Blue Earth, St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$28,000
10.01 - 10.50%	$29,000
10.51 - 11.00%	$30,000
11.01 - 11.50%	$31,000
11.51% and over	$32,000

(d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$28,000
10.01 - 10.50%	$29,000
10.51 - 11.00%	$30,000
11.01 - 11.50%	$31,000
11.51% and over	$32,000

(2) Maximum adjusted income for loans for existing construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$33,000
10.01 - 10.50%	$34,000
10.51 - 11.00%	$35,000
11.01 - 11.50%	$36,000
11.51% and over	$37,000

(b) in the counties of Clay, Nicollet, and Olmsted:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$26,000
10.01 - 10.50%	$27,000
10.51 - 11.00%	$28,000
11.01 - 11.50%	$29,000
11.51% and over	$30,000

(c) in the counties of Benton, Blue Earth,

St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$24,000
10.01 - 10.50%	$25,000
10.51 - 11.00%	$26,000
11.01 - 11.50%	$27,000
11.51% and over	$28,000

(d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$22,000
10.01 - 10.50%	$23,000
10.51 - 11.00%	$24,000
11.01 - 11.50%	$25,000
11.51% and over	$26,000

[For text of items B to E, see M.R. 1989]

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAR 12 1990

Joan Anderson Growe

Secretary of State

11:45 AM

APPROVED AS TO LEGALITY

March 8, 1990

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Charlene M. Hatcher
SPECIAL ASSISTANT ATTORNEY GENERAL

MINNESOTA
HOUSING
FINANCE
AGENCY

Celebrate
MINNESOTA 1990

February 26, 1990

Ms. Patricia Nolte
Legal Assistant
Public Finance Division
Attorney General
404 Capitol Office Building
525 Park Street
St. Paul, MN 55155

RE: In the Matter of the Proposed Rule Relating to Income Limits for Limited Unit Developments

Dear Ms. Nolte:

Enclosed please find for your review pursuant to Minnesota Statutes, Section 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 2010:

- Rule as Adopted;
- Certificate of Board's Resolution Adopting the Rule;
- Certificate of Agency's Authorizing Resolution;
- Notice of Intent to Adopt a Rule Without a Public Hearing;
- Affidavit of Mailing the Notice of Intent to Adopt a Rule Without a Public Hearing and Certificate of Mailing List;
- Rule as Proposed;
- Rule as published in State Register;
- Findings of Fact, Conclusions and Order Adopting the Rule Without a Public Hearing;
- Statement of Need and Reasonableness; and
- Declaration of Counsel.

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

400 Sibley Street, Suite 300, St. Paul, Minnesota 55101 (612) 296-7608 Telecopier (612) 296-8139
Equal Opportunity Housing and Equal Opportunity Employment

Stat authority 462A.06 Subd 4 and 11

subd 4 Agency ~~may~~ make and ... rules not inconsistant with 462A.01 to 462A.24

subd 11 It may make and publish rules pursuant to chapter 14, respecting its mortgage lending ... and any such other rules as are necessary to effectuate its corporate purpose

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

RESOLUTION NO. MHFA 89- 140

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO INCOME LIMITS FOR LIMITED UNIT DEVELOPMENTS WITHOUT A PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That James J. Solem, Commissioner, of the Minnesota Housing Finance Agency, is hereby granted the authority and directed to sign and to give the Notice of the Minnesota Housing Finance Agency's Intent to Adopt a rule without a public hearing governing the Income Limits for Limited Unit Developments to all persons who have registered their names with the Agency for that purpose and publish the Notice and rule in the State Register, and to perform any and all acts incidental thereto.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of November, 1989.

Chairman

CERTIFICATE OF THE

MINNESOTA HOUSING FINANCE AGENCY

AUTHORIZING RESOLUTION

I, Robert A. Worthington, do hereby certify that I am a member and the 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 16th day of November, 1989, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

"RESOLVED, that James J. Solem, Commissioner of the Minnesota Housing Finance Agency, is hereby granted the authority and directed to sign and to give the Notice of the Minnesota Housing Finance Agency's Intent to Adopt a rule without a public hearing, governing the Income Limits for Limited Unit Developments to all persons who have registered their names with the Agency for that purpose and publish the Notice and rule in the State Register, and to perform any and all acts incidental thereto."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of November, 1989.

Robert A. Worthington
Chairman

Shirley Van Dyck
Attest by one other Board Member

State of Minnesota

Minnesota Housing Finance Agency

In the Matter of the Proposed Rules
Relating to Income Limits for Limited
Unit Developments

Statement of Need and Reasonableness

Minnesota Rules Section 4900.0010, subpart 23:

Minnesota Statutes, Section 462A.03, subdivision 10 requires that the Minnesota Housing Finance Agency (Agency) establish in its rules income limits for the purpose of defining persons and families of low and moderate income. The sources for definition of low and moderate income persons and families are two Agency rules: Minnesota Rules part 4900.0010, subpart 23 establishes maximum limits for adjusted income for Agency programs therein specified, and adjusted income is, in turn, determined by a formula set forth in the definition of Minnesota Rules part 4900.0010, subpart 3.

The proposed rule defines persons and families of low and moderate income as those whose adjusted income does not exceed the amounts set forth in the tables in Minnesota Rules part 4900.0010, subpart 23.A(1), and Minnesota Rules part 4900.0010, subpart 23.A(2). By its terms, the rule applies to programs for three types of housing: limited unit developments, dwelling units in planned unit development and condominiums. The term "limited unit development" refers to new or existing residential housing intended for occupancy by a person or family of low and moderate income and by not more than five other families (see Minnesota Rules part 4900.0010, subpart 15).

The proposed rule continues to employ 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 capital market conditions make it difficult to implement a program based upon one income limit, since income limits are a function of what interest rates must be charged to the mortgagor to meet the Agency's cost of money as determined when it raises capital.

There are two primary changes in the proposed rule from previous rules governing income limits for limited unit developments. The first change is in reference to the geographic areas for which specific income limits are in effect for new or existing construction. In response to concerns raised by the clientele for various Agency programs effected by the rule, the Agency undertook an analysis of local real estate markets by examining current sales price data in designated geographic areas. This is consistent with the mandate of Minnesota Statutes 462.05, subdivision 3, which specifies that in establishing maximum mortgage amounts and maximum purchase prices for single family dwellings, the Agency shall take into account housing cost differences throughout the state.

As a result of this analysis, it was both reasonable and necessary for the proposed rules to establish additional geographic areas for which income limits are to be in effect for new and existing construction. The Agency study indicated distinct differences in house prices within the real estate markets designated within the rule and, thus, different income levels are necessary to afford these homes. Hence, it reasonable to establish separate income limits for these counties.

The second change in the proposed rule is it establishes the income limits for the designated geographic areas. Minnesota Statutes Section 460A.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, and (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 second criterion specified in the statutory definition of persons and families of low and moderate income is the size of the family. This factor is addressed by the Agency in the formula for adjusting income under Minnesota Rules part 4900.0011, subpart 3, which was applied in arriving at the maximum adjusted income that would be available for housing needs.

The third criterion specified in the statute as set forth above is the cost and condition of housing facilities available. As specified above, the Agency conducted a study to determine housing costs in various geographic areas and establishes house price limits for these areas. The income limits herein are designed to be compatible with the income necessary to purchase a median priced home.

The fourth criterion specified in the statute is the ability of such persons and families to compete in the normal housing market. Mortgage interest rates vary from time to time and establishing income limits on the basis of the interest rate to be charged on Agency mortgage loans is appropriate. Typically, interest rates for Agency mortgage revenue bond programs are 1% to 1 1/2% lower than market interest rates.

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 the funds under the proposed regulation must be persons and families of low and moderate income, the regulation does not effect small business directly, and the said law, by its terms, is inapplicable to this proposed regulation. Further, to the extent that the funds which are the subject of this regulation may have an indirect affect on small businesses, the affect of this proposed rule is to make home loans more capable of feasible underwriting and, consequently, more attainable; and, as a result, the proposed rule has no negative effect on small businesses.

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101-1998

RESOLUTION NO. MHFA 90-14

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO INCOME LIMITS FOR LIMITED UNIT DEVELOPMENT WITHOUT A PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That the rule relating to Income Limits for Limited Unit Development is approved and adopted, pursuant to authority vested in the Agency by Minnesota Statutes 462A.06, Subd. 4 and 11. James J. Solem, the Commissioner of the Minnesota Housing Finance Agency is authorized to sign the findings of fact, conclusions, and order adopting the rule and further is authorized to modify the rule if necessary to obtain the approval of the rule by the attorney general and to perform the necessary acts to provide that the rule shall have the force and effect of law.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 22nd day of February, 1990.

Chairman

CERTIFICATE OF THE

MINNESOTA HOUSING FINANCE AGENCY

RESOLUTION ADOPTING THE RULE

I, Robert A. Worthington, do hereby certify that I am a member and the 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 property called and held on the 22nd day of February, 1990, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

> "RESOLVED, that the rule relating to Income Limits for Limited Unit Developments is approved and adopted, pursuant to authority vested in the Agency by Minnesota Statutes 462A.06, Subd. 4 and 11. James J. Solem, the Commissioner of the Minnesota Housing Finance Agency is authorized to sign the findings of fact, conclusions, and order adopting the rule and further is authorized to modify the rule if necessary to obtain the approval of the rule by the attorney general and to perform the necessary acts to provide that the rule shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 22nd day of February, 1990.

Chairman

Attest by one other Board Member

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Income Limits for Limited Unit Development

AFFIDAVIT OF MAILING THE NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

State of Minnesota
County of Ramsey } ss.

Terese M. Fritchman, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes sections 14.14, subdivision 1a and 14.22 or 14.30, that their names be placed on the Minnesota Housing Finance Agency rulemaking mailing list is accurate, complete, and current as of this 22nd day of December, 1989.

That on the 22nd day of December, 1989 at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt a Rule Without a Public Hearing by depositing in the United States mail, a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Terese M. Fritchman

Terese M. Fritchman

Subscribed and sworn to before
me this 22nd day of December, 1989.

Joan Gustafson

Notary Public

JOAN GUSTAFSON
NOTARY PUBLIC-MINNESOTA
WASHINGTON COUNTY
MY COMMISSION EXPIRES JULY 24, 1995

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Income Units, Limited Unit Developments

Rules as Proposed

4900.0010 DEFINITIONS.

[For text of subps 1 to 22, see M.R. 1989]

Subp. 23. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means:

A. With respect to limited-unit mortgage loans pursuant to parts 4900.0310 to 4900.0360, except for loans issued under parts 4900.0370 and 4900.0380, development cost loans pursuant to parts 4900.0210 to 4900.0240, planning grants pursuant to parts 4900.0410 and 4900.0420, and American Indian housing loans pursuant to parts 4900.0900 to 4900.1080, which loans and grants are intended for a limited-unit development, or a dwelling unit in a planned unit development or a condominium, those persons and families whose adjusted income does not exceed the amounts set forth in the following tables or such lower amount as shall be required to assure that the interest on obligations of the agency will be exempt from federal income taxation.

(1) Maximum adjusted income for loans for new construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$35,000~~ $37,500
10.01 - 10.50%	~~$36,000~~ $38,500
10.51 - 11.00%	~~$37,000~~ $39,500
11.01 - 11.50%	~~$38,000~~ $40,500
11.51% and over	~~$39,000~~ $41,500

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

Approved by Revisor

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$28,000~~ $32,000
10.01 - 10.50%	~~$29,000~~ $33,000
10.51 - 11.00%	~~$30,000~~ $34,000
11.01 - 11.50%	~~$31,000~~ $35,000
11.51% and over	~~$32,000~~ $36,000

(c) in the counties of Benton, Blue Earth, St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$28,000
10.01 - 10.50%	$29,000
10.51 - 11.00%	$30,000
11.01 - 11.50%	$31,000
11.51% and over	$32,000

~~(c)~~ (d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$26,000~~ $28,000
10.01 - 10.50%	~~$27,000~~ $29,000
10.51 - 11.00%	~~$28,000~~ $30,000
11.01 - 11.50%	~~$29,000~~ $31,000
11.51% and over	~~$30,000~~ $32,000

(2) Maximum adjusted income for loans for existing construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$31,000~~ $33,000
10.01 - 10.50%	~~$32,000~~ $34,000
10.51 - 11.00%	~~$33,000~~ $35,000
11.01 - 11.50%	~~$34,000~~ $36,000
11.51% and over	~~$35,000~~ $37,000

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$24,000~~ $26,000
10.01 - 10.50%	~~$25,000~~ $27,000
10.51 - 11.00%	~~$26,000~~ $28,000
11.01 - 11.50%	~~$27,000~~ $29,000
11.51% and over	~~$28,000~~ $30,000

(c) in the counties of Benton, Blue Earth,

Approved by Revisor _____

St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$24,000
10.01 - 10.50%	$25,000
10.51 - 11.00%	$26,000
11.01 - 11.50%	$27,000
11.51% and over	$28,000

~~(c)~~ (d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$21,000~~ $22,000
10.01 - 10.50%	~~$22,000~~ $23,000
10.51 - 11.00%	~~$23,000~~ $24,000
11.01 - 11.50%	~~$24,000~~ $25,000
11.51% and over	~~$25,000~~ $26,000

[For text of items B to E, see M.R. 1989]

Approved by Revisor _____

In the Matter of the Adoption
of the Rule of the Minnesota
Housing Finance Agency
Governing the Income Limits for
Limited Unit Developments

DECLARATION
OF COUNSEL

I, William H. Kuretsky, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules,chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0450.

William H. Kuretsky
Special Assistant Attorney General

Dated: February 26, 1990

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Income Limits for Limited Unit Development	FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

(1) Notice of the Commissioner's intent to adopt the above-entitled rule was published in the State Register on December 26, 1989 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 1a and 14.22 on December 22, 1989. (2) 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.

(4) All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. (5) No requests for a public hearing on the rule were received by the Agency.

(7) 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:

(8) The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as 4900.0010, Subp. 23 is adopted this 22nd day of February, 1990, pursuant to authority vested in the Agency by Minnesota Statutes, sections 462A.06, subd. 4 and 11. (9)

James J. Solem, Commissioner

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Income Limits for Limited Unit Developments

NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

(1) Notice is hereby given that the Minnesota Housing Finance Agency intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes section 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes 462A.06, Subd. 4 and 11.

(2) All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part of subpart of the rule. Comment is encouraged. (3) Each comment should identify the portion of the prosed rule addressed, the reason for the comment, and any change proposed.

(4) Any person may make a written request for a public hearing on the rule within the 30-day comment period. (4) If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. (6) 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. (7) If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, section 14.131 to 14.20.

(5) Comments or written requests for a public hearing must be submitted to:

Susan K. Noren
Legal Division
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101-1998
Telephone: 612-296-9794

(8) The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

(11) A copy of the proposed rule is attached to this notice.

(12) A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the date and information relied upon to support the proposed rule has been prepared and is available from Susan K. Noren upon request.

(9)

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General of who wish to receive a copy of the adopted rule, must submit the written request to Susan K. Noren.

Date: December 22, 1989

James J. Solem
Commissioner

number withdraw their request in writing. 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. If a public hearing is required, the agency will proceed pursuant to *Minnesota Statutes*, section 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Susan K. Noren
Legal Division
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101-1998
Telephone: 612-296-9794

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Susan K. Noren upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General or who wish to receive a copy of the adopted rule, must submit the written request to Susan K. Noren.

Dated: 22 December 1989

James J. Solem
Commissioner

Rules as Proposed

4900.0010 DEFINITIONS.

[For text of subps. 1 to 22, see M.R. 1989]

Subp. 23. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means:

A. With respect to limited-unit mortgage loans pursuant to parts 4900.0310 to 4900.0360, except for loans issued under parts 4900.0370 and 4900.0380, development cost loans pursuant to parts 4900.0210 to 4900.0240, planning grants pursuant to parts 4900.0410 and 4900.0420, and American Indian housing loans pursuant to parts 4900.0900 to 4900.1080, which loans and grants are intended for a limited-unit development, or a dwelling unit in a planned unit development or a condominium, those persons and families whose adjusted income does not exceed the amounts set forth in the following tables or such lower amount as shall be required to assure that the interest on obligations of the agency will be exempt from federal income taxation.

(1) Maximum adjusted income for loans for new construction:

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

Mortgage Interest Rate	Maximum Adjusted Income	
0-10.00%	~~$35,000~~	$37,500
10.01-10.50%	~~$36,000~~	$38,500
10.51-11.00%	~~$37,000~~	$39,500
11.01-11.50%	~~$38,000~~	$40,500
11.51% and over	~~$39,000~~	$41,500

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

Mortgage Interest Rate	Maximum Adjusted Income	
0-10.00%	~~$28,000~~	$32,000
10.01-10.50%	~~$29,000~~	$33,000
10.51-11.00%	~~$30,000~~	$34,000
11.01-11.50%	~~$31,000~~	$35,000
11.51% and over	~~$32,000~~	$36,000

(c) in the counties of Benton, Blue Earth, St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0-10.00%	$28,000
10.01-10.50%	$29,000
10.51-11.00%	$30,000
11.01-11.50%	$31,000
11.51% and over	$32,000

~~(c)~~ (d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0-10.00%	~~$26,000~~ $28,000
10.01-10.50%	~~$27,000~~ $29,000
10.51-11.00%	~~$28,000~~ $30,000
11.01-11.50%	~~$29,000~~ $31,000
11.51% and over	~~$30,000~~ $32,000

(2) Maximum adjusted income for loans for existing construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0-10.00%	~~$31,000~~ $33,000
10.01-10.50%	~~$32,000~~ $34,000
10.51-11.00%	~~$33,000~~ $35,000
11.01-11.50%	~~$34,000~~ $36,000
11.51% and over	~~$35,000~~ $37,000

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

Mortgage Interest Rate	Maximum Adjusted Income
0-10.00%	~~$24,000~~ $26,000
10.01-10.50%	~~$25,000~~ $27,000
10.51-11.00%	~~$26,000~~ $28,000
11.01-11.50%	~~$27,000~~ $29,000
11.51% and over	~~$28,000~~ $30,000

(c) in the counties of Benton, Blue Earth, St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0-10.00%	$24,000
10.01-10.50%	$25,000
10.51-11.00%	$26,000
11.01-11.50%	$27,000
11.51% and over	$28,000

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.

~~(c)~~ (d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0-10.00%	~~$21,000~~ $22,000
10.01-10.50%	~~$22,000~~ $23,000
10.51-11.00%	~~$23,000~~ $24,000
11.01-11.50%	~~$24,000~~ $25,000
11.51% and over	~~$25,000~~ $26,000

[For text of items B to E, see M.R. 1989]

Official Notices

Pursuant to the provisions of Minnesota Statutes §14.10, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Department of Administration

InterTechnologies Group

Request for Information from Telecommunications Vendors

The State of Minnesota, as part of its planning for a Statewide Telecommunications Access and Routing System, or STARS, is requesting the participation of telecommunications vendors in the planning of STARS through a Request for Information (RFI) process.

Ernst & Young, consultants to the State of Minnesota, have prepared an RFI document. Vendors are encouraged to contact Erik Gilbert, Ernst & Young, Suite 500, 10201 Lee Highway, Fairfax, Virginia, 22030, Tel. 703 359-1312, to receive a copy of the RFI. The RFI has been sent to all identified carriers in Minnesota. Responses need to be sent to Ernst & Young by Jan. 17, 1990.

STARS will be a leased network for the electronic transmission of voice, data and video signals.

For more information about STARS or the RFI process, call Ken Reddick, STARS Project Team, at 612 297-5788.

Department of Natural Resources

Notice of Solicitation of Outside Opinions Regarding Proposed Rules Designating Criteria for Groundwater Sensitivity

NOTICE IS HEREBY GIVEN that the State Department of Natural Resources is seeking opinions from sources outside the agency in preparing to propose the adoption of the rule governing criteria for sensitive groundwater areas. The adoption of the rule is authorized by *Minnesota Statutes* section 103H.101 which directs the agency to develop these criteria and to adopt them by rule.

The State Department of Natural Resources requests information and opinions concerning the subject matter of the rule. Interested persons or groups may submit data or views on the subject matter of concern in writing or orally. Written statements should be addressed to:

Sarah P. Tufford
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4032

Oral statements will be received during regular hours over the telephone at 297-2431 and in person at the above address.

All statements of information and opinions shall be accepted until January 2, 1991. Any written material received by the State Department of Natural Resources shall become part of the record to be submitted to the attorney general or administrative law judge in the event that the rule is adopted.

Dated: 11 December 1989

Joseph H. Alexander
Commissioner of Natural Resources

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Income Units, Limited Unit Developments

Rules as Proposed

4900.0010 DEFINITIONS.

[For text of subps 1 to 22, see M.R. 1989]

Subp. 23. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means:

A. With respect to limited-unit mortgage loans pursuant to parts 4900.0310 to 4900.0360, except for loans issued under parts 4900.0370 and 4900.0380, development cost loans pursuant to parts 4900.0210 to 4900.0240, planning grants pursuant to parts 4900.0410 and 4900.0420, and American Indian housing loans pursuant to parts 4900.0900 to 4900.1080, which loans and grants are intended for a limited-unit development, or a dwelling unit in a planned unit development or a condominium, those persons and families whose adjusted income does not exceed the amounts set forth in the following tables or such lower amount as shall be required to assure that the interest on obligations of the agency will be exempt from federal income taxation.

(1) Maximum adjusted income for loans for new construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$35,000~~ $37,500
10.01 - 10.50%	~~$36,000~~ $38,500
10.51 - 11.00%	~~$37,000~~ $39,500
11.01 - 11.50%	~~$38,000~~ $40,500
11.51% and over	~~$39,000~~ $41,500

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

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Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$28,000~~ $32,000
10.01 - 10.50%	~~$29,000~~ $33,000
10.51 - 11.00%	~~$30,000~~ $34,000
11.01 - 11.50%	~~$31,000~~ $35,000
11.51% and over	~~$32,000~~ $36,000

(c) in the counties of Benton, Blue Earth, St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$28,000
10.01 - 10.50%	$29,000
10.51 - 11.00%	$30,000
11.01 - 11.50%	$31,000
11.51% and over	$32,000

~~(c)~~ (d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$26,000~~ $28,000
10.01 - 10.50%	~~$27,000~~ $29,000
10.51 - 11.00%	~~$28,000~~ $30,000
11.01 - 11.50%	~~$29,000~~ $31,000
11.51% and over	~~$30,000~~ $32,000

(2) Maximum adjusted income for loans for existing construction:

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$31,000~~ $33,000
10.01 - 10.50%	~~$32,000~~ $34,000
10.51 - 11.00%	~~$33,000~~ $35,000
11.01 - 11.50%	~~$34,000~~ $36,000
11.51% and over	~~$35,000~~ $37,000

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

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$24,000~~ $26,000
10.01 - 10.50%	~~$25,000~~ $27,000
10.51 - 11.00%	~~$26,000~~ $28,000
11.01 - 11.50%	~~$27,000~~ $29,000
11.51% and over	~~$28,000~~ $30,000

(c) in the counties of Benton, Blue Earth,

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St. Louis, Sherburne, and Stearns:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	$24,000
10.01 - 10.50%	$25,000
10.51 - 11.00%	$26,000
11.01 - 11.50%	$27,000
11.51% and over	$28,000

~~(c)~~ (d) in all other counties:

Mortgage Interest Rate	Maximum Adjusted Income
0 - 10.00%	~~$21,000~~ $22,000
10.01 - 10.50%	~~$22,000~~ $23,000
10.51 - 11.00%	~~$23,000~~ $24,000
11.01 - 11.50%	~~$24,000~~ $25,000
11.51% and over	~~$25,000~~ $26,000

[For text of items B to E, see M.R. 1989]

Approved by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Income Units, Limited Unit Developments

AGENCY: Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication in the State Register

Carla M. Riehle

Carla M. Riehle
Assistant Revisor