

Minnesota Attorney General: Administrative Rules Proceedings

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Version 3
August 20, 2018

CBE

RULE REVIEW CHECKLIST

File No. 1714

Docket No. 05 0009 0450

DATE RECEIVED 7-3-90

ADOPTED W/O HEARING ✓

REVIEW DATE 7-12-90

EMERGENCY RULE

DUE DATE 7-17-90

To Revisor on 7-5

REVISOR APPROVED

APPROVED 7-13-90

REVISOR DISAPPROVED

DISAPPROVED

FILED W/SEC. OF STATE 7/17/90

WITHDRAWN

RETURNED TO AGENCY 7/19/90

✓ Rule as adopted (4 copies)

NA 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
March 29, 1990 Date adopted

✓ Proposed Rule
- ✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule subd 4 and 11
- 462A.06 Statutory Authority
- NA Small Business Statement
- NA Expenditure of public money statement
- May 11, 1990 Signature

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

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
- May 11, 1990 Date 30/25 days before adoption
- ✓ Notice attached indicate it is attached
- ____ Copy of rule or summary attached

✓ Publication in State Register
May 14, 1990 Date 30/25 days before adoption

✓ 180-day deadline from:
- NA Effective date of law requiring rule ~~amendments~~ (14.12) (both rules)
- ✓ end of comment period (§ 14.26) (rules without hearing)
- ____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
June 28, 1990 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
June 28, 1990 Date

____ ~~Written requests, submissions or comments~~

✓ Declaration of attorney
Karl Herman Name of SAAG representing agency

____ ~~Notice of Submission to Atty. Gen. (if applicable)~~

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

DEPARTMENT: Office of the Attorney General

STATE OF MINNESOTA

OFFICE MEMORANDUM

DATE: July 19, 1990

TO: SUSAN K. NOREN
Minnesota Housing Financing Agency

FROM: CHRISTIE B. ELLER CBE
Assistant Attorney General

PHONE: 296-9421

SUBJECT: In the Matter of the Adopted Rule Relating to Receivership Revolving Loan Fund

The above-referenced rule has been approved as to its legality by the Attorney General on July 13, 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.

CBE:sc

Enclosures

cc: William Brown, Chief Judge
MaryAnn Hruby
Karl Herman

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to Receivership Revolving Loan Fund

Rules as Adopted

4900.0010 DEFINITIONS.

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

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

[For text of items A to G, see M.R.]

H. With respect to parts 4900.2900 to 4900.2907, those persons whose income is at or below 50 percent of the median income adjusted for family size of the standard metropolitan statistical area.

4900.2900 SCOPE.

Parts 4900.2900 to 4900.2907 govern the implementation of the receivership revolving loan fund authorized under Minnesota Statutes, section 566.291.

4900.2901 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4900.2900 to 4900.2907, the following terms have the meanings given.

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

Subp. 3. **Receiver.** "Receiver" means a person appointed by the court under Minnesota Statutes, section 566.29, to receive and preserve the property referred to in part 4900.2902, subpart 3, according to the powers contained in Minnesota Statutes, section 566.29.

4900.2902 ELIGIBILITY REQUIREMENTS.

Subpart 1. **Receiver.** A receiver is eligible for a loan under the receivership revolving loan fund if the receiver meets the prequalification requirements for the specific project under this part and presents a certified copy of a court order in an

action under Minnesota Statutes, section 566.25 or 566.34. The order must state that the prequalified receiver has been appointed to act in the case and must contain a finding that the appointment of a receiver with the power to collect funds is consistent with the statutory factors relating to the long-term economic viability of the dwelling as provided in Minnesota Statutes, section 566.29.

Subp. 2. **Low and moderate income.** In the property subject to the order, at least 50 percent of the occupied rental units must be occupied by persons and familes of low and moderate income as defined in part 4900.0010, subpart 23, item H.

Subp. 3. **Prequalification requirements.** A person or entity seeking prequalification status under this part must submit an application on a form prescribed by the agency. The agency shall review the application applying the standards in parts 4900.2901 to 4900.2907 and shall promptly notify the applicant of a decision on the application. Prequalification approval shall be for a maximum of two years. A rejection of the application must set forth the reasons for the denial. The applicant may qualify for any one or more of the following categories:

A. single family or duplex dwelling;

B. fewer than ten housing units;

C. ten to 24 housing units; or

D. 24 or more housing units.

Subp. 4. **Qualification requirements.** For an applicant to qualify as a receiver, the applicant must:

A. have at least two years experience or demonstrated proficiency in residential property management;

B. be able to obtain a fidelity and forgery bond or insurance coverage in an amount at least equal to two months' gross potential income of the property;

C. comply with Minnesota real estate licensing statutes and rules;

D. have adequate financial controls;

E. have a history of managing properties according to

applicable federal, state, and local laws, statutes, ordinances, rules, and regulations;

F. complete the forms and enter into agreements as the agency may reasonably require;

G. demonstrate the ability to obtain liability insurance; and

H. have experience or demonstrated proficiency in managing properties which have undergone significant repairs and improvements.

Subp. 5. **Properties.** Receivers shall be awarded receivership revolving loans subject to the property considerations in items A to D:

A. probability of loan repayment;

B. availability of funding for necessary repairs, alterations, improvements, and operation;

C. probable success of retention as low-income housing; and

D. if items A to C have been considered, then an additional consideration may be other neighborhood revitalization factors.

4900.2903 APPLICATION PROCESS.

Subpart 1. **With prequalification.** Applicants who intend to apply as prequalified receivers must follow the procedures in items A to E:

A. become prequalified as an eligible receiver according to the selection criteria in part 4900.2902, subparts 3 and 4, for a specified line of credit amount subject to fund availability and court appointment;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project must be approved by the agency according to the selection criteria under part 4900.2902, subpart 3;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

Subp. 2. **Without prequalification.** Applicants who do not intend to apply as prequalified receivers must follow the procedures in items A to E:

A. submit a loan application;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project and receiver must be approved by the agency according to the selection criteria under part 4900.2902;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

4900.2904 FEES.

Subpart 1. **Property management fees.** Property management fees may be disbursed at the greater or $150 per building or a rate of:

A. $40 per unit per month for buildings containing ten or fewer units;

B. $30 per unit per month for buildings containing 11 to 20 units; or

C. $25 per unit per month for buildings containing 21 or more units.

Subp. 2. **Supplemental management fees.** Supplemental management fees for coordination of repairs and bids may be disbursed in an amount equal to the greater of $1,000 or:

A. ten percent of repairs totaling $50,000 or less; plus

B. eight percent of repairs over $50,000 and up to $100,000; plus

C. six percent of repairs over $100,000 and up to $250,000; plus

D. four percent of repairs over $250,000.

The schedule in items A to D reflects maximum loan amounts. Administrators are not precluded from expending additional fees from rent, other loans, or revenues from the property.

In the event there is no progress in the court-ordered repairs, improvements, or alterations for any six-month period, the agency may, in its sole option and discretion, terminate any future disbursements of any and all remaining undisbursed loan proceeds.

4900.2905 ADMINISTRATIVE EXPENSES.

Administrative expenses that are eligible for payment under parts 4900.2901 to 4900.2907 include both property management and repair coordination expenses. Property management expenses are the cost of operating the premises including, but not limited to, personnel, rent collection, ongoing tenant management, court costs, and transportation.

Repair coordination expenses funded by a supplemental management fee include, but are not limited to, personnel and costs of posting bonds, legal fees, financial record keeping, operating statement, audits, construction consultants' fees, transportation, and permits.

In addition, eligible administrative expenses include such other expenses as are approved by the court supervising the tenant remedy action.

4900.2906 DISBURSEMENT OF FUNDS.

The agency shall disburse loan proceeds monthly within 14 days of submission of invoices consistent with the approved application.

4900.2907 REPAYMENT.

The loan shall be a personal obligation of the property owners and a loan repayment agreement with terms acceptable to the agency for a maximum term of ten years must be executed before the termination of the receivership; or, an assignment of rents shall be executed in an amount sufficient to repay the

debt within a maximum term of ten years; or, a lien shall be placed against the property. Any one or a combination of the above may be used at the request of the agency to secure repayment of the loan.

APPROVED AS TO FORM AND LEGALITY

July 13 1990

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY Christie B Elle
ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUL 17 1990

Joan Anderson Growe
Secretary of State

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 29th day of March, 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 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 Receivership Revolving Loan Program 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 29th day of March, 1990.

Chairman

Attest by one other Board Member

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

RESOLUTION NO. MHFA 90-85

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO RECEIVERSHIP REVOLVING LOAN PROGRAM WITHOUT A PUBLIC HEARING.

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That the rule relating to Receivership Revolving Loan Program 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 28th day of June, 1990.

Chairman

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to Receivership Revolving Loan Fund

Rules as Adopted

4900.0010 DEFINITIONS.

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

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

[For text of items A to G, see M.R.]

H. With respect to parts 4900.2900 to 4900.2907, those persons whose income is at or below 50 percent of the median income adjusted for family size of the standard metropolitan statistical area.

4900.2900 SCOPE.

Parts 4900.2900 to 4900.2907 govern the implementation of the receivership revolving loan fund authorized under Minnesota Statutes, section 566.291.

4900.2901 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4900.2900 to 4900.2907, the following terms have the meanings given.

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

Subp. 3. **Receiver.** "Receiver" means a person appointed by the court under Minnesota Statutes, section 566.29, to receive and preserve the property referred to in part 4900.2902, subpart 3, according to the powers contained in Minnesota Statutes, section 566.29.

4900.2902 ELIGIBILITY REQUIREMENTS.

Subpart 1. **Receiver.** A receiver is eligible for a loan under the receivership revolving loan fund if the receiver meets the prequalification requirements for the specific project under this part and presents a certified copy of a court order in an

action under Minnesota Statutes, section 566.25 or 566.34. The order must state that the prequalified receiver has been appointed to act in the case and must contain a finding that the appointment of a receiver with the power to collect funds is consistent with the statutory factors relating to the long-term economic viability of the dwelling as provided in Minnesota Statutes, section 566.29.

Subp. 2. **Low and moderate income.** In the property subject to the order, at least 50 percent of the occupied rental units must be occupied by persons and familes of low and moderate income as defined in part 4900.0010, subpart 23, item H.

Subp. 3. **Prequalification requirements.** A person or entity seeking prequalification status under this part must submit an application on a form prescribed by the agency. The agency shall review the application applying the standards in parts 4900.2901 to 4900.2907 and shall promptly notify the applicant of a decision on the application. Prequalification approval shall be for a maximum of two years. A rejection of the application must set forth the reasons for the denial. The applicant may qualify for any one or more of the following categories:

A. single family or duplex dwelling;

B. fewer than ten housing units;

C. ten to 24 housing units; or

D. 24 or more housing units.

Subp. 4. **Qualification requirements.** For an applicant to qualify as a receiver, the applicant must:

A. have at least two years experience or demonstrated proficiency in residential property management;

B. be able to obtain a fidelity and forgery bond or insurance coverage in an amount at least equal to two months' gross potential income of the property;

C. comply with Minnesota real estate licensing statutes and rules;

D. have adequate financial controls;

E. have a history of managing properties according to

applicable federal, state, and local laws, statutes, ordinances, rules, and regulations;

F. complete the forms and enter into agreements as the agency may reasonably require;

G. demonstrate the ability to obtain liability insurance; and

H. have experience or demonstrated proficiency in managing properties which have undergone significant repairs and improvements.

Subp. 5. **Properties.** Receivers shall be awarded receivership revolving loans subject to the property considerations in items A to D:

A. probability of loan repayment;

B. availability of funding for necessary repairs, alterations, improvements, and operation;

C. probable success of retention as low-income housing; and

D. if items A to C have been considered, then an additional consideration may be other neighborhood revitalization factors.

4900.2903 APPLICATION PROCESS.

Subpart 1. **With prequalification.** Applicants who intend to apply as prequalified receivers must follow the procedures in items A to E:

A. become prequalified as an eligible receiver according to the selection criteria in part 4900.2902, subparts 3 and 4, for a specified line of credit amount subject to fund availability and court appointment;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project must be approved by the agency according to the selection criteria under part 4900.2902, subpart 3;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

Subp. 2. **Without prequalification.** Applicants who do not intend to apply as prequalified receivers must follow the procedures in items A to E:

A. submit a loan application;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project and receiver must be approved by the agency according to the selection criteria under part 4900.2902;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

4900.2904 FEES.

Subpart 1. **Property management fees.** Property management fees may be disbursed at the greater or $150 per building or a rate of:

A. $40 per unit per month for buildings containing ten or fewer units;

B. $30 per unit per month for buildings containing 11 to 20 units; or

C. $25 per unit per month for buildings containing 21 or more units.

Subp. 2. **Supplemental management fees.** Supplemental management fees for coordination of repairs and bids may be disbursed in an amount equal to the greater of $1,000 or:

A. ten percent of repairs totaling $50,000 or less; plus

B. eight percent of repairs over $50,000 and up to $100,000; plus

C. six percent of repairs over $100,000 and up to $250,000; plus

D. four percent of repairs over $250,000.

The schedule in items A to D reflects maximum loan amounts. Administrators are not precluded from expending additional fees from rent, other loans, or revenues from the property.

In the event there is no progress in the court-ordered repairs, improvements, or alterations for any six-month period, the agency may, in its sole option and discretion, terminate any future disbursements of any and all remaining undisbursed loan proceeds.

4900.2905 ADMINISTRATIVE EXPENSES.

Administrative expenses that are eligible for payment under parts 4900.2901 to 4900.2907 include both property management and repair coordination expenses. Property management expenses are the cost of operating the premises including, but not limited to, personnel, rent collection, ongoing tenant management, court costs, and transportation.

Repair coordination expenses funded by a supplemental management fee include, but are not limited to, personnel and costs of posting bonds, legal fees, financial record keeping, operating statement, audits, construction consultants' fees, transportation, and permits.

In addition, eligible administrative expenses include such other expenses as are approved by the court supervising the tenant remedy action.

4900.2906 DISBURSEMENT OF FUNDS.

The agency shall disburse loan proceeds monthly within 14 days of submission of invoices consistent with the approved application.

4900.2907 REPAYMENT.

The loan shall be a personal obligation of the property owners and a loan repayment agreement with terms acceptable to the agency for a maximum term of ten years must be executed before the termination of the receivership; or, an assignment of rents shall be executed in an amount sufficient to repay the

debt within a maximum term of ten years; or, a lien shall be placed against the property. Any one or a combination of the above may be used at the request of the agency to secure repayment of the loan.

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Receivership Revolving Loan Program

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 sections 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 or subpart of the rule. Comment is encouraged. (3) Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

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, sections 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
Suite 300
400 Sibley Street
St. Paul, Minnesota 55101
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 data 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 or who wish to receive a copy of the adopted rule, must submit the written request to Susan K. Noren.

Date: May 11, 1990

James J. Solem
Commissioner

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Receivership Revolving Loan Fund

Rules as Proposed

4900.0010 DEFINITIONS.

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

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

[For text of items A to G, see M.R.]

H. With respect to parts 4900.2900 to 4900.2907, those persons whose income is at or below 50 percent of the median income adjusted for family size of the standard metropolitan statistical area.

Rules as Proposed (all new material)

4900.2900 SCOPE.

Parts 4900.2900 to 4900.2907 govern the implementation of the receivership revolving loan fund authorized under Minnesota Statutes, section 566.291.

4900.2901 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4900.2900 to 4900.2907, the following terms have the meanings given.

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

Subp. 3. **Receiver.** "Receiver" means a person appointed by the court under Minnesota Statutes, section 566.29, to receive and preserve the property referred to in part 4900.2902, subpart 3, according to the powers contained in Minnesota Statutes, section 566.29.

4900.2902 ELIGIBILITY REQUIREMENTS.

Subpart 1. **Receiver.** A receiver is eligible for a loan under the receivership revolving loan fund if the receiver meets

Approved by Revisor

the prequalification requirements for the specific project under this part and presents a certified copy of a court order in an action under Minnesota Statutes, section 566.25 or 566.34. The order must state that the prequalified receiver has been appointed to act in the case and must contain a finding that the appointment of a receiver with the power to collect funds is consistent with the statutory factors relating to the long-term economic viability of the dwelling as provided in Minnesota Statutes, section 566.29.

Subp. 2. **Low and moderate income.** In the property subject to the order, at least 50 percent of the occupied rental units must be occupied by persons and familes of low and moderate income as defined in part 4900.0010, subpart 23, item H.

Subp. 3. **Prequalification requirements.** A person or entity seeking prequalification status under this part must submit an application on a form prescribed by the agency. The agency shall review the application applying the standards in parts 4900.2901 to 4900.2907 and shall promptly notify the applicant of a decision on the application. Prequalification approval shall be for a maximum of two years. A rejection of the application must set forth the reasons for the denial. The applicant may qualify for any one or more of the following categories:

A. single family or duplex dwelling;

B. fewer than ten housing units;

C. ten to 24 housing units; or

D. 24 or more housing units.

Subp. 4. **Qualification requirements.** For an applicant to qualify as a receiver, the applicant must:

A. have at least two years experience or demonstrated proficiency in residential property management;

B. be able to obtain a fidelity and forgery bond or insurance coverage in an amount at least equal to two months' gross potential income of the property;

C. comply with Minnesota real estate licensing statutes and rules;

Approved
by Revisor _____

D. have adequate financial controls;

E. have a history of managing properties according to applicable federal, state, and local laws, statutes, ordinances, rules, and regulations;

F. complete the forms and enter into agreements as the agency may reasonably require;

G. demonstrate the ability to obtain liability insurance; and

H. have experience or demonstrated proficiency in managing properties which have undergone significant repairs and improvements.

Subp. 5. **Properties.** Receivers shall be awarded receivership revolving loans subject to the property considerations in items A to D:

A. probability of loan repayment;

B. availability of funding for necessary repairs, alterations, improvements, and operation;

C. probable success of retention as low-income housing; and

D. if items A to C have been considered, then an additional consideration may be other neighborhood revitalization factors.

4900.2903 APPLICATION PROCESS.

Subpart 1. **With prequalification.** Applicants who intend to apply as prequalified receivers must follow the procedures in items A to E:

A. become prequalified as an eligible receiver according to the selection criteria in part 4900.2902, subparts 3 and 4, for a specified line of credit amount subject to fund availability and court appointment;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project must be approved by the agency

Approved
by Revisor _____

according to the selection criteria under part 4900.2902, subpart 3;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

Subp. 2. **Without prequalification.** Applicants who do not intend to apply as prequalified receivers must follow the procedures in items A to E:

A. submit a loan application;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project and receiver must be approved by the agency according to the selection criteria under part 4900.2902;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

4900.2904 FEES.

Subpart 1. **Property management fees.** Property management fees may be disbursed at the greater or $150 per building or a rate of:

A. $40 per unit per month for buildings containing ten or fewer units;

B. $30 per unit per month for buildings containing 11 to 20 units; or

C. $25 per unit per month for buildings containing 21 or more units.

Subp. 2. **Supplemental management fees.** Supplemental management fees for coordination of repairs and bids may be disbursed in an amount equal to the greater of $1,000 or:

A. ten percent of repairs totaling $50,000 or less; plus

B. eight percent of repairs over $50,000 and up to $100,000; plus

Approved
by Revisor _____

C. six percent of repairs over $100,000 and up to $250,000; plus

D. four percent of repairs over $250,000.

The schedule in items A to D reflects maximum loan amounts. Administrators are not precluded from expending additional fees from rent, other loans, or revenues from the property.

In the event there is no progress in the court-ordered repairs, improvements, or alterations for any six-month period, the agency may, in its sole option and discretion, terminate any future disbursements of any and all remaining undisbursed loan proceeds.

4900.2905 ADMINISTRATIVE EXPENSES.

Administrative expenses that are eligible for payment under parts 4900.2901 to 4900.2907 include both property management and repair coordination expenses. Property management expenses are the cost of operating the premises including, but not limited to, personnel, rent collection, ongoing tenant management, court costs, and transportation.

Repair coordination expenses funded by a supplemental management fee include, but are not limited to, personnel and costs of posting bonds, legal fees, financial record keeping, operating statement, audits, construction consultants' fees, transportation, and permits.

In addition, eligible administrative expenses include such other expenses as are approved by the court supervising the tenant remedy action.

4900.2906 DISBURSEMENT OF FUNDS.

The agency shall disburse loan proceeds monthly within 14 days of submission of invoices consistent with the approved application.

4900.2907 REPAYMENT.

The loan shall be a personal obligation of the property owners and a loan repayment agreement with terms acceptable to the agency for a maximum term of ten years must be executed

Approved
by Revisor _____

before the termination of the receivership; or, an assignment of rents shall be executed in an amount sufficient to repay the debt within a maximum term of ten years; or, a lien shall be placed against the property. Any one or a combination of the above may be used at the request of the agency to secure repayment of the loan.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Receivership Revolving Loan Fund

AGENCY: Minnesota Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication
in the State Register

Carla M. Riehle
Assistant Revisor

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Receivorship Relvolving Loan Program

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

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Renee J. Dickinson, 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 11th day of May, 1990

That on the 11th day of May, 1990, 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.

Renee J. Dickinson

Renee J. Dickinson, Legal Secretary

Subscribed and sworn to before me this 11th day of May, 1990.

Diane Skelly-Bauleke

Notary Public

DIANE SKELLY-BAULEKE
NOTARY PUBLIC — MINNESOTA
HENNEPIN COUNTY
My commission expires 2-24-94

Proposed Rules

Pursuant to Minn. Stat. §§ 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.

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Receivership Revolving Loan Fund

Notice of Intent to Adopt a Rule Without a Public Hearing

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* sections 14.22 to 14.28. The statutory authority to adopt the rule is *Minnesota Statutes* 462A.06, Subd. 4 and 11.

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

Any person may make a written request for a public hearing on the rule within the 30-day comment period. 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. 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*, sections 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: 11 May 1990

James J. Solem
Commissioner

Rules as Proposed

4900.0010 DEFINITIONS.

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

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

[For text of items A to G, see M.R.]

H. With respect to parts 4900.2900 to 4900.2907, those persons whose income is at or below 50 percent of the median income adjusted for family size of the standard metropolitan statistical area.

Rules as Proposed (all new material)

4900.2900 SCOPE.

Parts 4900.2900 to 4900.2907 govern the implementation of the receivership revolving loan fund authorized under *Minnesota Statutes*, section 566.291.

4900.2901 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4900.2900 to 4900.2907, the following terms have the meanings given.

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

Subp. 3. **Receiver.** "Receiver" means a person appointed by the court under *Minnesota Statutes*, section 566.29, to receive and preserve the property referred to in part 4900.2902, subpart 3, according to the powers contained in *Minnesota Statutes*, section 566.29.

4900.2902 ELIGIBILITY REQUIREMENTS.

Subpart 1. **Receiver.** A receiver is eligible for a loan under the receivership revolving loan fund if the receiver meets the prequalification requirements for the specific project under this part and presents a certified copy of a court order in an action under *Minnesota Statutes*, section 566.25 or 566.34. The order must state that the prequalified receiver has been appointed to act in the case and must contain a finding that the appointment of a receiver with the power to collect funds is consistent with the statutory factors relating to the long-term economic viability of the dwelling as provided in *Minnesota Statutes*, section 566.29.

Subp. 2. **Low and moderate income.** In the property subject to the order, at least 50 percent of the occupied rental units must be occupied by persons and familes of low and moderate income as defined in part 4900.0010, subpart 23, item H.

Subp. 3. **Prequalification requirements.** A person or entity seeking prequalification status under this part must submit an application on a form prescribed by the agency. The agency shall review the application applying the standards in parts 4900.2901 to 4900.2907 and shall promptly notify the applicant of a decision on the application. Prequalification approval shall be for a maximum of two years. A rejection of the application must set forth the reasons for the denial. The applicant may qualify for any one or more of the following categories:

A. single family or duplex dwelling;

B. fewer than ten housing units;

C. ten to 24 housing units; or

D. 24 or more housing units.

Subp. 4. **Qualification requirements.** For an applicant to qualify as a receiver, the applicant must:

A. have at least two years experience or demonstrated proficiency in residential property management;

B. be able to obtain a fidelity and forgery bond or insurance coverage in an amount at least equal to two months' gross potential income of the property;

C. comply with Minnesota real estate licensing statutes and rules;

D. have adequate financial controls;

E. have a history of managing properties according to applicable federal, state, and local laws, statutes, ordinances, rules, and regulations;

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.

F. complete the forms and enter into agreements as the agency may reasonably require;

G. demonstrate the ability to obtain liability insurance; and

H. have experience or demonstrated proficiency in managing properties which have undergone significant repairs and improvements.

Subp. 5. **Properties.** Receivers shall be awarded receivership revolving loans subject to the property considerations in items A to D:

A. probability of loan repayment;

B. availability of funding for necessary repairs, alterations, improvements, and operation;

C. probable success of retention as low-income housing; and

D. if items A to C have been considered, then an additional consideration may be other neighborhood revitalization factors.

4900.2903 APPLICATION PROCESS.

Subpart 1. **With prequalification.** Applicants who intend to apply as prequalified receivers must follow the procedures in items A to E:

A. become prequalified as an eligible receiver according to the selection criteria in part 4900.2902, subparts 3 and 4, for a specified line of credit amount subject to fund availability and court appointment;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project must be approved by the agency according to the selection criteria under part 4900.2902, subpart 3;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

Subp. 2. **Without prequalification.** Applicants who do not intend to apply as prequalified receivers must follow the procedures in items A to E:

A. submit a loan application;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project and receiver must be approved by the agency according to the selection criteria under part 4900.2902;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

4900.2904 FEES.

Subpart 1. **Property management fees.** Property management fees may be disbursed at the greater or $150 per building or a rate of:

A. $40 per unit per month for buildings containing ten or fewer units;

B. $30 per unit per month for buildings containing 11 to 20 units; or

C. $25 per unit per month for buildings containing 21 or more units.

Subp. 2. **Supplemental management fees.** Supplemental management fees for coordination of repairs and bids may be disbursed in an amount equal to the greater of $1,000 or:

A. ten percent of repairs totaling $50,000 or less; plus

B. eight percent of repairs over $50,000 and up to $100,000; plus

C. six percent of repairs over $100,000 and up to $250,000; plus

D. four percent of repairs over $250,000.

The schedule in items A to D reflects maximum loan amounts. Administrators are not precluded from expending additional fees from rent, other loans, or revenues from the property.

In the event there is no progress in the court-ordered repairs, improvements, or alterations for any six-month period, the agency may, in its sole option and discretion, terminate any future disbursements of any and all remaining undisbursed loan proceeds.

4900.2905 ADMINISTRATIVE EXPENSES.

Administrative expenses that are eligible for payment under parts 4900.2901 to 4900.2907 include both property management and repair coordination expenses. Property management expenses are the cost of operating the premises including, but not limited to, personnel, rent collection, ongoing tenant management, court costs, and transportation.

Repair coordination expenses funded by a supplemental management fee include, but are not limited to, personnel and costs of posting bonds, legal fees, financial record keeping, operating statement, audits, construction consultants' fees, transportation, and permits.

In addition, eligible administrative expenses include such other expenses as are approved by the court supervising the tenant remedy action.

4900.2906 DISBURSEMENT OF FUNDS.

The agency shall disburse loan proceeds monthly within 14 days of submission of invoices consistent with the approved application.

4900.2907 REPAYMENT.

The loan shall be a personal obligation of the property owners and a loan repayment agreement with terms acceptable to the agency for a maximum term of ten years must be executed before the termination of the receivership; or, an assignment of rents shall be executed in an amount sufficient to repay the debt within a maximum term of ten years; or, a lien shall be placed against the property. Any one or a combination of the above may be used at the request of the agency to secure repayment of the loan.

Department of Labor and Industry

Occupational Safety and Health Division

Proposed Revisions to the Occupational Safety and Health Standard and Request for Comments

NOTICE IS HEREBY GIVEN that the Department of Labor and Industry, Occupational Safety and Health Division (Minnesota OSHA) proposes to adopt the following revisions to the Department of Labor and Industry, Occupational Safety and Health Rules, as authorized under *Minnesota Statutes* 182.655 (1988). This revision proposes the adoption by reference of Occupational Safety and Health Standards that have already been proposed and adopted by the Federal Occupational Safety and Health Administration (Federal OSHA).

A complete copy of the federal standards proposed for adoption is available by writing: Occupational Safety and Health Division, Department of Labor and Industry, 443 Lafayette Road, St. Paul, Minnesota 55155-4307; or by calling: (612) 297-3254.

Interested persons are hereby afforded a period of 30 days to submit written data or comments on the described standards. Any interested person may file with the Commissioner written objections to the proposed standard stating the grounds for those objections. Such person may request a public hearing on those objections. Written comments or requests for hearing should be sent to the above address and must include the name and address of the person submitting the comment or request, define the reason for the comment or request, and discuss any proposed changes.

Ken Peterson, Commissioner
Department of Labor and Industry

Standards as Proposed

5205.0010 ADOPTION OF FEDERAL OCCUPATIONAL SAFETY AND HEALTH STANDARDS BY REFERENCE.

Subpart 1. [Unchanged.]

Subp. 2. **Part 1910.** Part 1910: Occupational Safety and Health Standards as published in Volume 43, No. 206 of the *Federal Register* on October 24, 1978 and corrected in Volume 43, No. 216, November 7, 1979 which incorporates changes, additions, deletions, and corrections made up to November 7, 1978; and subsequent changes prior to ~~December 6, 1989~~ May 1, 1990:

A. to K. [Unchanged.]

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.

RECEIVERSHIP REVOLVING LOAN FUND PROGRAM
STATEMENT OF NEED AND REASONABLENESS

Minnesota Statutes (1989) Section 566.291 provided that the Minnesota Housing Finance Agency (Agency) may establish a revolving loan fund to pay the administrative expenses of receivership administrators under Section 566.29 for properties for occupancy by low and moderate income persons or families. Property owners are responsible for repaying administrative expense payments made from the fund. The statute was passed to provide administrative funding for receivers appointed by the court to oversee the restoration of required services or the completion of emergency repairs. The Agency has committed $250,000 from its reserves to fund this program. The proposed rule has been developed under the above referenced statute.

Proposed Minnesota Rules Part 4900.2900 (Scope) describes the scope of Part 4900.2900 to Part 4900.2907.

Proposed Minnesota Rules Part 4900.0010 Subpart 23 H and Subpart 24 and Part 4900.2901 (Definitions) provide definitions under these rules.

Proposed Minnesota Rules Part 4900.2902 (Eligibility Requirements) defines what entities are eligible to apply for loan funds as specified under the statute and existing Agency regulations applicable to it.

Proposed Minnesota Rules Part 4900.2903 (Application Process) outlines the application process and the information which must be on the application. The requested information is reasonable and necessary to determine loan eligibility and provide loan security.

Proposed Minnesota Rules Part 4900.2904 (Fees) provides a schedule of maximum allowable fees under this program. It is reasonable and necessary to establish a maximum fee schedule to attract qualified receivers and at the same time provide a means of cost control for the program.

Proposed Minnesota Rules Part 4900.2905 (Administrative Expenses) outlines expenses which are eligible for payment out of loan proceeds. It is reasonable and necessary to delineate eligible expenses to insure that loan proceeds will be expanded in accordance with the statute.

Proposed Minnesota Rules Part 4900.2906 (Disbursement of Funds) specifies the timing of the disbursement of loan proceeds.

Proposed Minnesota Rules Part 4900.2907 (Repayment) outlines the maximum term within which repayment must occur and the security interest options available to the Agency. It is reasonable and necessary to specify the term and security interest of the loan to secure repayment of these limited revolving funds in order to facilitate the making of future loans to provide for emergency repairs to other low income housing.

The Agency is cognizant of Section 14,115 of Minnesota Statutes entitled "Small Business Considerations in Rulemaking" and consulted with small businesses and nonprofit organizations in the drafting of the rule. The reporting requirements and deadlines are designed to encourage participation by small businesses. It is envisioned that the recipients of these loan funds will be small businesses or nonprofit entities.

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Receivership Revolving Loan Fund

Rules as Proposed

4900.0010 DEFINITIONS.

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

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

[For text of items A to G, see M.R.]

H. With respect to parts 4900.2900 to 4900.2907, those persons whose income is at or below 50 percent of the median income adjusted for family size of the standard metropolitan statistical area.

Rules as Proposed (all new material)

4900.2900 SCOPE.

Parts 4900.2900 to 4900.2907 govern the implementation of the receivership revolving loan fund authorized under Minnesota Statutes, section 566.291.

4900.2901 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4900.2900 to 4900.2907, the following terms have the meanings given.

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

Subp. 3. **Receiver.** "Receiver" means a person appointed by the court under Minnesota Statutes, section 566.29, to receive and preserve the property referred to in part 4900.2902, subpart 3, according to the powers contained in Minnesota Statutes, section 566.29.

4900.2902 ELIGIBILITY REQUIREMENTS.

Subpart 1. **Receiver.** A receiver is eligible for a loan under the receivership revolving loan fund if the receiver meets

Approved by Revisor

the prequalification requirements for the specific project under this part and presents a certified copy of a court order in an action under Minnesota Statutes, section 566.25 or 566.34. The order must state that the prequalified receiver has been appointed to act in the case and must contain a finding that the appointment of a receiver with the power to collect funds is consistent with the statutory factors relating to the long-term economic viability of the dwelling as provided in Minnesota Statutes, section 566.29.

Subp. 2. **Low and moderate income.** In the property subject to the order, at least 50 percent of the occupied rental units must be occupied by persons and familes of low and moderate income as defined in part 4900.0010, subpart 23, item H.

Subp. 3. **Prequalification requirements.** A person or entity seeking prequalification status under this part must submit an application on a form prescribed by the agency. The agency shall review the application applying the standards in parts 4900.2901 to 4900.2907 and shall promptly notify the applicant of a decision on the application. Prequalification approval shall be for a maximum of two years. A rejection of the application must set forth the reasons for the denial. The applicant may qualify for any one or more of the following categories:

A. single family or duplex dwelling;

B. fewer than ten housing units;

C. ten to 24 housing units; or

D. 24 or more housing units.

Subp. 4. **Qualification requirements.** For an applicant to qualify as a receiver, the applicant must:

A. have at least two years experience or demonstrated proficiency in residential property management;

B. be able to obtain a fidelity and forgery bond or insurance coverage in an amount at least equal to two months' gross potential income of the property;

C. comply with Minnesota real estate licensing statutes and rules;

Approved
by Revisor _____

D. have adequate financial controls;

E. have a history of managing properties according to applicable federal, state, and local laws, statutes, ordinances, rules, and regulations;

F. complete the forms and enter into agreements as the agency may reasonably require;

G. demonstrate the ability to obtain liability insurance; and

H. have experience or demonstrated proficiency in managing properties which have undergone significant repairs and improvements.

Subp. 5. **Properties.** Receivers shall be awarded receivership revolving loans subject to the property considerations in items A to D:

A. probability of loan repayment;

B. availability of funding for necessary repairs, alterations, improvements, and operation;

C. probable success of retention as low-income housing; and

D. if items A to C have been considered, then an additional consideration may be other neighborhood revitalization factors.

4900.2903 APPLICATION PROCESS.

Subpart 1. **With prequalification.** Applicants who intend to apply as prequalified receivers must follow the procedures in items A to E:

A. become prequalified as an eligible receiver according to the selection criteria in part 4900.2902, subparts 3 and 4, for a specified line of credit amount subject to fund availability and court appointment;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project must be approved by the agency

Approved
by Revisor _____

according to the selection criteria under part 4900.2902, subpart 3;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

Subp. 2. **Without prequalification.** Applicants who do not intend to apply as prequalified receivers must follow the procedures in items A to E:

A. submit a loan application;

B. submit to the agency a project approval application that includes information on scope of work, estimate of funds needed, and evidence that funding needed for repairs has been secured;

C. the project and receiver must be approved by the agency according to the selection criteria under part 4900.2902;

D. submit a court order; and

E. complete and submit a loan commitment agreement to the agency.

4900.2904 FEES.

Subpart 1. **Property management fees.** Property management fees may be disbursed at the greater or $150 per building or a rate of:

A. $40 per unit per month for buildings containing ten or fewer units;

B. $30 per unit per month for buildings containing 11 to 20 units; or

C. $25 per unit per month for buildings containing 21 or more units.

Subp. 2. **Supplemental management fees.** Supplemental management fees for coordination of repairs and bids may be disbursed in an amount equal to the greater of $1,000 or:

A. ten percent of repairs totaling $50,000 or less; plus

B. eight percent of repairs over $50,000 and up to $100,000; plus

Approved
by Revisor _____

C. six percent of repairs over $100,000 and up to $250,000; plus

D. four percent of repairs over $250,000.

The schedule in items A to D reflects maximum loan amounts. Administrators are not precluded from expending additional fees from rent, other loans, or revenues from the property.

In the event there is no progress in the court-ordered repairs, improvements, or alterations for any six-month period, the agency may, in its sole option and discretion, terminate any future disbursements of any and all remaining undisbursed loan proceeds.

4900.2905 ADMINISTRATIVE EXPENSES.

Administrative expenses that are eligible for payment under parts 4900.2901 to 4900.2907 include both property management and repair coordination expenses. Property management expenses are the cost of operating the premises including, but not limited to, personnel, rent collection, ongoing tenant management, court costs, and transportation.

Repair coordination expenses funded by a supplemental management fee include, but are not limited to, personnel and costs of posting bonds, legal fees, financial record keeping, operating statement, audits, construction consultants' fees, transportation, and permits.

In addition, eligible administrative expenses include such other expenses as are approved by the court supervising the tenant remedy action.

4900.2906 DISBURSEMENT OF FUNDS.

The agency shall disburse loan proceeds monthly within 14 days of submission of invoices consistent with the approved application.

4900.2907 REPAYMENT.

The loan shall be a personal obligation of the property owners and a loan repayment agreement with terms acceptable to the agency for a maximum term of ten years must be executed

Approved
by Revisor _____

before the termination of the receivership; or, an assignment of rents shall be executed in an amount sufficient to repay the debt within a maximum term of ten years; or, a lien shall be placed against the property. Any one or a combination of the above may be used at the request of the agency to secure repayment of the loan.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Receivership Revolving Loan Fund

AGENCY: Minnesota Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication in the State Register

Carla M. Riehle
Assistant Revisor

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 Receivership Revolving Loan Program

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

(1) Notice of the Commissioner's intent to adopt the above rule was published in the State Register on May 14, 1990 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subd. 1a and 14.22 on May 11, 1990. (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 comments 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 rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as 4900.2900-4900.2907 is adopted this 28th day of June, 1990, pursuant to authority vested in the agency by Minnesota Statutes, sections 462A.06, subd. 4 and 11.

(9)

James J. Solem, Commissioner

In the Matter of the Adoption
of the Rule of the Minnesota
Housing Finance Agency
Governing the Receivership
Revolving Loan Program

DECLARATION
OF COUNSEL

I, Karl J. Herman, Special Assistant Attorney General, do hereby declare that I have examined the above 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.

Karl J. Herman
Special Assistant Attorney General

Dated: June 28, 1990

Stat Authority
462A.06 subd 4a
St may make, and from time to time amend and repeal rules

subd 11 St may make and publish rules pursuant to chapter 14

4900.0010
Statement of Need refers to Subpart 24
I don't seed it in the rules

4900.2902 sub-4 D
adequate financial controls - vague
it should be defined

11. " G.
demonstrable ability to obtain ~~bonding~~ liability insurance - does that mean they have to buy it; have the money to buy it? Qualify to get it? how do they demonstrate the ability

4900.2904 - Property management fees
These are fees to be ~~xx~~ paid to the property management These are not fees paid to the agency so I don't think they are under 116A.128

MINNESOTA HOUSING FINANCE AGENCY

Celebrate MINNESOTA 1990

June 29, 1990

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

Re: In the Matter of the Proposed Rule Relating to Receivership Revolving Loan Program

Dear Ms. Nolte:

I have enclosed 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 2010:

Rule as Adopted (four copies);

Agency's Board Resolution Adopting the Rule;

Certificate of the Minnesota Housing Finance Agency 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, no comments on the rule, and no requests from persons desiring notice of the date of submission of the proposed rule to the Attorney General.were received during the 30-day comment period. The adopted rules are the same as the proposed rules.

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

If you have any questions call Susan K. Noren at 296-9794.

Sincerely,

James J. Solem
Commissioner

JJS:skn
Encs.