

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

AVK
1-4-93

RULE REVIEW CHECKLIST

File No. 1990
DATE RECEIVED 12-29-92
REVIEW DATE 1-2-93
DUE DATE 1-12-93
~~(DIS)~~APPROVED 1-12-93
WITHDRAWN _____

Docket No. 05 0009 6450
ADOPTED W/O HEARING _____
EMERGENCY RULE _____
TO REVISOR ON 1-4-93
REVISOR (DIS)APPROVED 1-5-93
FILED W/SEC. OF STATE 1-14-93
RETURNED TO AGENCY ~~1-14-93~~ 1-15-93

✓ 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

✓ Board's Authorizing Resolution
August 27, 1992 Date adopted

✓ Proposed Rule
✓ Revisor's Certificate

_____ Notice of Intent to Adopt Rule
462A.06 and 4a Statutory Authority
No statement Small Business Statement
NA Expenditure of public money statement
December 6, 1992 Signature

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

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
October 16, 1992 Dated (30)/25 days before adoption
_____ Notice attached indicates it is attached
_____ Copy of rule or summary attached

✓ Publication in State Register
November 9, 1992 Date (30)/25 days before adoption

✓ 180-day deadline from:
✓ Effective date of law requiring rule (14.12) (both rules) amendments don't apply
✓ end of comment period (§ 14.26) (rules without hearing)
_____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
December 17, 1992 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
~~December 17, 1992~~ Date December 17, 1992

_____ Written Requests, Submissions or Comments

✓ Declaration of Attorney
Bill Kuvestky Name of SAAG representing agency

_____ Notice of Submission to Attorney General (if applicable)

_____ Affidavit of Mailing Notice to Attorney General (if applicable)

STATE OF MINNESOTA

Office of the Attorney General

TO : SUSAN K. NOREN
Legal Division
Minnesota Housing Finance Agency
400 Sibley Street
Suite 300
St. Paul

DATE : January 14, 1993

FROM : AMY V. KVALSETH
Special Assistant
Attorney General

PHONE : 296-9422

SUBJECT : In the Matter of the Adopted Rule Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

The above-referenced rule has been approved as to its legality by the Attorney General on January 12, 1993.

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.

Enclosures
cc: William H. Kuretsky
William Brown, Chief Judge
MaryAnn Hruby

AVK:jj.rules.bg0

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

Rules as Adopted

4900.2005 PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS.

[For text of subpart 1, see M.R.]

Subp. 2. **Minimum rehabilitation.** Each property financed with a purchase and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to the amounts in items A and B.

A. For properties located within Anoka, Benton, Carver, Chisago, Clay, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, Washington, and Wright counties, the minimum rehabilitation requirement is $5,000.

B. For properties located within all other counties, the minimum rehabilitation requirement is the lesser of $5,000 or 15 percent of the value of the property prior to rehabilitation.

[For text of subp 3, see M.R.]

Subp. 4. [See repealer.]

Subp. 5. **Borrower eligibility.** Each borrower shall meet the following requirements:

A. Each borrower shall be a person or family, including nonrelated individual adults, whose adjusted income does not exceed 115 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development; provided, however, that the maximum adjusted income for targeted neighborhoods may not exceed 150 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development. Targeted neighborhoods are specific geographic

areas specified by local governments or housing and redevelopment authorities as neighborhoods to receive special emphasis in terms of rehabilitation or preservation of the housing stock.

[For text of items B and C, see M.R.]

[For text of subp 6, see M.R.]

REPEALER. Minnesota Rules, part 4900.2005, subpart 4, is repealed.

APPROVED AS TO FORM AND LEGALITY

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

1-12 19 93

BY Amy V. Kvalseth
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JAN 13 1993

Joan Anderson Growe 2:40 pm
Secretary of State

RA

State of Minnesota
Minnesota Housing Finance Agency

In the Matter of the Proposed Rules Relating to
Purchase and Rehabilitation or Refinance and
Rehabilitation Mortgage Loans

Statement of Need and Reasonableness
4900.2005

Minnesota Statutes § 462A.05, subdivision 14 establishes that the Minnesota Housing Finance Agency (Agency) may agree to purchase, make or otherwise participate in the making, and may enter into commitments for the purchase, making or participation in the making, of eligible loans to persons and families of low and moderate income, for the rehabilitation of existing residential housing owned by them. Among other things, the statute also provides that such eligible loans may also refinance existing indebtedness secured by the property if the refinancing is determined by the Agency to be unnecessary to permit the owner to meet the owner's housing costs without expending an unreasonable portion of the owner's income thereon.

The current rule was promulgated three years ago under the above-referenced statute during the development and implementation of a mortgage loan program whereby eligible borrowers may either purchase and rehabilitate or refinance and rehabilitate a home through an execution of a single set of mortgage documents. As opposed to many Agency programs in which mortgage interest rates are subsidized, this program was developed at market interest rates. It was and is felt that a program of this nature aids in the preservation of the existing housing stock in neighborhoods and communities throughout the state. No comparable product was or is available from private lenders upon equivalent terms and conditions.

The program developed under the statute and administrative rules was "demonstration" in nature. In light of experience to date under the program, the Agency is hereby proposing changes to administrative rule 4900.2005 to improve the program from both the standpoint of lender participants and the standpoint of potential borrowers.

First, the Agency proposes a change to the minimum rehabilitation requirement in subpart 2 of the administrative rule. Previously, it was required that the rehabilitation be performed in an amount of 15% of the purchase price of the property. For properties in Metropolitan Statistical Areas, it is proposed that the minimum rehabilitation shall be $5,000 and for properties in Greater Minnesota it is proposed that the minimum rehabilitation requirement shall be the lesser of $5,000 or 15% of the value of the property.

Originally, the 15% rehabilitation requirement was imposed to provide that the rehabilitation be "substantial enough" to effect the program purposes for which the rules were being promulgated. It was felt that other affordable alternative forms of financing were available for amounts of rehabilitation under this level.

However, under program operation, it was learned that the minimum rehabilitation requirement was forcing individuals in communities with properties of higher value to

consider rehabilitation they didn't need so that the dollar amount of rehabilitation was high enough to receive program financing. As such higher value properties are almost always found in Metropolitan Statistical Areas, it was felt that a new minimum rehabilitation threshold would better serve the purposes of the program. In essence, this change provides greater flexibility for program applicants as well as addresses regional differences in real estate markets for homes that may be eligible under the program.

Second, it is recommended that the current subpart 4 pertaining to the "scope of rehabilitation" be deleted. In the development and delivery of this program, the Agency has required mortgage insurance from government or private sources (i.e., FHA insurance, private mortgage insurance) to protect its risk under each mortgage loan. The material contained in the "scope of rehabilitation" subpart is also an area that is covered by various mortgage insuring entities and, thus, it is subject to change by these entities which is beyond the Agency's control. Furthermore, the requirements between some of these entities vary. As opposed to predicting what the requirements of these entities might be from time to time and running the risk of having incompatible requirements in rule, the Agency proposes deletion of this rule so that it has the flexibility to meet the varying requirements of the mortgage insuring entities.

Third, current subpart 5 under the administrative rule pertains to borrower eligibility and subpart 5A establishes adjusted income limits for the program. The proposed administrative rule increases the adjusted income limit from 100% to 115% of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development, and increases the income limits in "targeted neighborhoods" from 115% to 150% of the same index. Past program inquiries have indicated that individuals and families of slightly higher income are attracted to this program than other Agency program offerings as both the mortgage product and the activity contemplated by same (i.e., purchase and rehabilitation or refinance and rehabilitation) are more complex. Notwithstanding this fact, the Agency believes that an income limit is appropriate to meet the requirement of statute that eligible borrowers shall be of low and moderate income. As a result, the rule adopts the income limits recognized in federal statute governing mortgage revenue bonds as serving "low and moderate income" as an appropriate upper limit to the basic program. The "target neighborhood" exception is provided to assist city officials in expanding their market to aid in housing preservation efforts within specific neighborhoods while still providing that moderate incomes are served. The Agency is particularly comfortable with these higher income limits in that the financing provided under the program is unsubsidized and market rate.

The Agency is cognizant of the provisions Section 14.115 of Minnesota Statutes, entitled Small Business Considerations in Rulemaking. The proposed rule does not establish any compliance or reporting requirements, design or operational standards, or directly effect the way any business must operate. Therefore, the provisions contained in Minnesota Statutes § 14.115 (1986) do not apply to the proposed rule discussed herein.

(2) recommend to the organization the selection of home buyers.

Subd. 7. **Purchase and rehabilitation.** An eligible organization may acquire up to five properties in a designated area with the consent of the advisory board for that area. The organization must rehabilitate these properties to the standards established by the agency. The total maximum cost of the acquisition, rehabilitation, closing costs, and back taxes must be no greater than an amount equal to 90 percent of the home sale price limitation established for the agency's home mortgage programs per individual property. The maximum may be exceeded if the excess costs are attributed to rehabilitation or improvements to make the property handicapped accessible.

Subd. 8. **Sale of property to home buyer.** The eligible organization may sell rehabilitated property to home buyers. The terms and other provisions of the contract for deed must be established by the agency. The following requirements must be included in the contract: (1) the purchase price paid by the home buyer must be equal to the total costs of acquiring and rehabilitating the property; (2) no down payment or interest payment is required of the home buyer; and (3) the monthly payment must equal 25 percent of the home buyer's gross monthly income.

Subd. 9. **Right to repurchase.** The eligible organization may repurchase the property if the home buyer rents, assigns, vacates, transfers, or offers to sell the property within 20 years of the purchase of the property from the organization. This option to repurchase does not apply to a transfer of the property to a surviving joint tenant or heir of the home buyer. If the organization chooses not to exercise its option to repurchase the property, the agency may repurchase the property.

The repurchase price paid by the organization or the agency may not exceed the lesser of the (1) appraised value of the property at the time of repurchase, or (2) the sum of:

(i) the total amount paid by the home owner to the organization for debt payment on the contract for deed;

(ii) the value of any major improvements to the property that are paid directly by the home buyer and were not part of the required monthly payment; and

(iii) the product of the sum of (i) and (ii), and the increase in inflation based on the housing component of the federal Consumer Price Index.

Subd. 10. **Reports.** Each organization that receives a grant under this section shall submit an annual report to the agency by December 1 of each year that describes the use of grant funds received under this section.

The agency shall prepare and submit an annual report to the legislature and the governor by January 15 of each year, beginning in 1991, that summarizes the reports of the organizations. The agency's report may also include recommendations to improve the program.

History: *1989 c 328 art 1 s 8; 1990 c 429 s 4; 1990 c 532 s 1*

462A.06 GENERAL POWERS OF THE AGENCY.

Subdivision 1. For the purpose of exercising the specific powers granted in section 462A.05 and effectuating the other purposes of sections 462A.01 to 462A.24, the agency shall have the general powers granted in this section.

Subd. 2. It may sue and be sued.

Subd. 3. It may have a seal and alter the same at will.

Subd. 4. It may make, and from time to time, amend and repeal rules not inconsistent with the provisions of sections 462A.01 to 462A.24.

Subd. 5. It may acquire, hold and dispose of personal property for its corporate purposes.

Subd. 6. It may enter into agreements or other transactions with any federal, state agency, any person and any domestic or foreign partnership, corporation, association or organization.

Subd. 7. It may, subject to the provisions of section 462A.05, subdivision 27, (1)

acquire real or personal property, or an interest therein, including partnership shares in housing-related partnerships, on either a temporary or long-term basis in its own name, by purchase, exchange, gift, assignment, transfer, foreclosure, deed in lieu of foreclosure, lease, assignment of lease or otherwise, including rights or easements in real property; (2) own, hold, manage, operate, clear, improve, and rehabilitate real or personal property; and (3) sell, assign, lease, encumber, mortgage, or otherwise dispose of any real or personal property, or any interest in that property, or mortgage lien or security interest owned by it or under its control, custody, or in its possession and release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired, including any equity or right of redemption in property foreclosed by it, and do any of the foregoing by public or private sale, with or without public bidding, notwithstanding the provisions of any other law.

Subd. 8. It may sell, at public or private sale, any note, mortgage or other instrument or obligation evidencing or securing a loan, including a certificate evidencing an interest in one or more loans. The agency may, in connection with such a sale, retain the right or obligation to collect the principal and interest on the loan, to enter into commitments for timely remittal of the principal and interest, or to provide any other services as described in the certificate.

Subd. 9. It may procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable.

Subd. 10. It may consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment or any installment of principal or interest, or any other term, of any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the agency is a party.

Subd. 11. It may make and publish rules pursuant to chapter 14 respecting its mortgage lending, construction lending, rehabilitation lending, grants, and temporary lending, and any such other rules as are necessary to effectuate its corporate purpose, and may adopt emergency rules to implement demonstration programs for the financing of residential housing.

Subd. 12. It may borrow money to carry out and effectuate its corporate purpose and may issue its bonds or notes as evidence of any such borrowing in accordance with sections 462A.08 to 462A.17.

Subd. 13. [Repealed, 1973 c 515 s 40]

Subd. 14. [Repealed, 1973 c 515 s 40]

Subd. 15. [Repealed, 1973 c 515 s 40]

Subd. 16. [Repealed, 1973 c 515 s 40]

History: *1971 c 702 s 6; 1973 c 35 s 75; 1973 c 515 s 20,21; 1974 c 441 s 11; 1980 c 493 s 4; 1982 c 424 s 130; 1983 c 185 s 7; 1984 c 640 s 32; 1985 c 248 s 70; 1987 c 350 s 8*

462A.065 FINANCIAL INFORMATION.

Financial information, including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the agency regarding any agency loan or grant and the name of each individual who is the recipient of an agency grant are private data on individuals, pursuant to section 13.02, subdivision 12.

History: *1977 c 401 s 9; 1981 c 311 s 39; 1982 c 545 s 24*

462A.07 ADDITIONAL POWERS AND DUTIES OF THE AGENCY.

Subdivision 1. In addition to the powers granted in sections 462A.05 and 462A.06 the agency shall have the further powers granted in this section.

Subd. 2. It may provide general technical services to assist in the planning, programming, design, construction or rehabilitation, and inspection of residential housing for occupancy by persons and families of low and moderate income.

Stat Authority 462A.06 subd 4 and 11
attached authority

end of comment period December 9, 1992

MINNESOTA HOUSING FINANCE AGENCY

December 17, 1992

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 Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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.

If you have any questions call the author of the rule, Mike Haley, at 297-2678 or Susan K. Noren at 296-9794.

Sincerely,

James J. Solem
Commissioner

JJS:skn
Encs.

In the Matter of the Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

DECLARATION OF COUNSEL

I, William H. Kuretsky, 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.

Wm H. Kuretsky

William H. Kuretsky
Special Assistant Attorney General

Dated: December 17, 1992

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

Rules as Proposed

4900.2005 PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS.

[For text of subpart 1, see M.R.]

Subp. 2. **Minimum rehabilitation.** Each property financed with a purchase and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to ~~15 percent of the purchase price of the property. Each property financed with a refinance and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to 15 percent of the value of the property prior to rehabilitation~~ the amounts in items A and B.

A. For properties located within Anoka, Benton, Carver, Chisago, Clay, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, Washington, and Wright counties, the minimum rehabilitation requirement is $5,000.

B. For properties located within all other counties, the minimum rehabilitation requirement is the lesser of $5,000 or 15 percent of the value of the property prior to rehabilitation.

[For text of subp 3, see M.R.]

Subp. 4. [See repealer.]

Subp. 5. **Borrower eligibility.** Each borrower shall meet the following requirements:

A. Each borrower shall be a person or family, including nonrelated individual adults, whose adjusted income does not exceed ~~100~~ 115 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development; provided, however, that the maximum adjusted income for targeted

Approved by Revisor

neighborhoods may not exceed ~~115~~ 150 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development. Targeted neighborhoods are specific geographic areas specified by local governments or housing and redevelopment authorities as neighborhoods to receive special emphasis in terms of rehabilitation or preservation of the housing stock.

[For text of items B and C, see M.R.]

[For text of subp 6, see M.R.]

REPEALER. Minnesota Rules, part 4900.2005, subpart 4, is repealed.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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

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

[For text of subp 4, see M.R.]

REPEALER. *Minnesota Rules*, part 7861.0100, subparts 1, 4, and 5, are repealed.

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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 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 ending December 9, 1992. 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 St., Suite 300
St. Paul, MN 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: 6 November 1992

James J. Solem
Commissioner

Rules as Proposed

4900.2005 PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS.

[For text of subpart 1, see M.R.]

Subp. 2. **Minimum rehabilitation.** Each property financed with a purchase and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to ~~15 percent of the purchase price of the property. Each property~~

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.

~~financed with a refinance and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to 15 percent of the value of the property prior to rehabilitation~~ the amounts in items A and B.

A. For properties located within Anoka, Benton, Carver, Chisago, Clay, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, Washington, and Wright counties, the minimum rehabilitation requirement is $5,000.

B. For properties located within all other counties, the minimum rehabilitation requirement is the lesser of $5,000 or 15 percent of the value of the property prior to rehabilitation.

[For text of subp 3, see M.R.]

Subp. 4. [See repealer.]

Subp. 5. **Borrower eligibility.** Each borrower shall meet the following requirements:

A. Each borrower shall be a person or family, including nonrelated individual adults, whose adjusted income does not exceed ~~100~~ 115 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development; provided, however, that the maximum adjusted income for targeted neighborhoods may not exceed ~~115~~ 150 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development. Targeted neighborhoods are specific geographic areas specified by local governments or housing and redevelopment authorities as neighborhoods to receive special emphasis in terms of rehabilitation or preservation of the housing stock.

[For text of items B and C, see M.R.]

[For text of subp 6, see M.R.]

REPEALER. *Minnesota Rules*, part 4900.2005, subpart 4, is repealed.

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to American Indian Housing

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 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 ending December 9, 1992. 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 St., Suite 300
St. Paul, MN 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

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing the Minnesota Housing Finance Agency Governing the Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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 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 portin of the proposed 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 ending December 9, 1992. (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. (5) 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.

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

Susan K. Noren, Legal Division
Minnesota Housing Finance Agency
400 Sibley St., Suite 300
St. Paul, MN 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 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: November 6, 1992

James J. Solem
Commissioner

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

Rules as Proposed

4900.2005 PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS.

[For text of subpart 1, see M.R.]

Subp. 2. **Minimum rehabilitation.** Each property financed with a purchase and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to ~~15-percent-of-the-purchase-price-of-the-property.--Each property-financed-with-a-refinance-and-rehabilitation-mortgage loan-must-require-and-receive-rehabilitation-in-a-dollar-amount greater-than-or-equal-to-15-percent-of-the-value-of-the-property prior-to-rehabilitation~~ the amounts in items A and B.

A. For properties located within Anoka, Benton, Carver, Chisago, Clay, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, Washington, and Wright counties, the minimum rehabilitation requirement is $5,000.

B. For properties located within all other counties, the minimum rehabilitation requirement is the lesser of $5,000 or 15 percent of the value of the property prior to rehabilitation.

[For text of subp 3, see M.R.]

Subp. 4. [See repealer.]

Subp. 5. **Borrower eligibility.** Each borrower shall meet the following requirements:

A. Each borrower shall be a person or family, including nonrelated individual adults, whose adjusted income does not exceed ~~100~~ 115 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development; provided, however, that the maximum adjusted income for targeted

Approved by Revisor

neighborhoods may not exceed ~~115~~ 150 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development. Targeted neighborhoods are specific geographic areas specified by local governments or housing and redevelopment authorities as neighborhoods to receive special emphasis in terms of rehabilitation or preservation of the housing stock.

[For text of items B and C, see M.R.]

[For text of subp 6, see M.R.]

REPEALER. Minnesota Rules, part 4900.2005, subpart 4, is repealed.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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 Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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)

Susan K. Noren, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes sections 14.14, subd. 1a and 14.22 or 14.30, that their names be placed on the Minnesota Housing Finance Agency rule making mailing list is accurate, complete, and current as of this 6th day of November, 1992.

That on the 16th day of October, 1992, 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.

Susan K. Noren

Susan K. Noren, Legal Secretary

Subscribed and sworn to before me this 6th day of November, 1992.

Renee J. Dickinson

Notary Public

RENEE J. DICKINSON
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES MARCH 26, 1996

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 Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

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 November 9, 1992, 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 November 6, 1992.

(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.

No submissions or comments on the rule were received by the agency.

(7) No requests for notice of submission to the attorney general were received by the agency.

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

The above rule is needed and reasonable. (8)

(9) NOW, THEREFORE, IT IS ORDERED that the rule identified as 4900.2005 is adopted this 17th day of December, 1992, pursuant to authority vested in the agency by Minnesota Statutes, sections 462A.06, subd. 4 and 11.

James J. Solem, Commissioner

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 27th day of August, 1992, 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 Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans 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 27th day of August, 1992.

Chairman

Attest by one other Board Member

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

RESOLUTION NO. MHFA 92-113

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS WITHOUT A PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That the rule relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans 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 17th day of December, 1992.

Chairman

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to Purchase and Rehabilitation or Refinance and Rehabilitation Mortgage Loans

Rules as Adopted

4900.2005 PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS.

[For text of subpart 1, see M.R.]

Subp. 2. **Minimum rehabilitation.** Each property financed with a purchase and rehabilitation mortgage loan must require and receive rehabilitation in a dollar amount greater than or equal to the amounts in items A and B.

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B. For properties located within all other counties, the minimum rehabilitation requirement is the lesser of $5,000 or 15 percent of the value of the property prior to rehabilitation.

[For text of subp 3, see M.R.]

Subp. 4. [See repealer.]

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A. Each borrower shall be a person or family, including nonrelated individual adults, whose adjusted income does not exceed 115 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development; provided, however, that the maximum adjusted income for targeted neighborhoods may not exceed 150 percent of the greater of state or area median income as determined and adjusted from time to time by the United States Department of Housing and Urban Development. Targeted neighborhoods are specific geographic

areas specified by local governments or housing and redevelopment authorities as neighborhoods to receive special emphasis in terms of rehabilitation or preservation of the housing stock.

[For text of items B and C, see M.R.]

[For text of subp 6, see M.R.]

REPEALER. Minnesota Rules, part 4900.2005, subpart 4, is repealed.