

CHAPTER 4900
MINNESOTA HOUSING FINANCE AGENCY
HOUSING LOANS AND GRANTS

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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 C, see M.R]

D With respect to home improvement grants and rehabilitation loans pursuant to parts 4900 0610 to 4900 0700 and accessibility loans pursuant to parts 4900.0750 to 4900 0780 to be made by the agency, those persons and families whose assets do not exceed \$25,000, and

(1) with respect to home improvement grants and rehabilitation loans defined in part 4900 0610 as deferred loans, those persons and families whose adjusted income does not exceed \$10,000, or

(2) with respect to rehabilitation loans defined in part 4900.0610 as revolving loans and accessibility loans defined in part 4900 0770 as deferred loans, those persons and families whose adjusted income does not exceed \$18,000

[For text of items E to H, see M R]

Statutory Authority: *MS s 462A 06*

History: *22 SR 1547*

4900.0630 ELIGIBLE RECIPIENTS OF REHABILITATION GRANTS AND LOANS.

[For text of subps 1 and 2, see M R]

Subp 3 **Person of low and moderate income.** Each recipient must be a person or family of low and moderate income as defined in part 4900 0010, subpart 23, item D, subitem (2).

[For text of subps 4 to 7, see M R]

Statutory Authority: *MS s 462A 06*

History: *22 SR 1547*

4900.0640 AMOUNT OF GRANT OR LOAN.

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

Subp 2 **Amount of loan.** The amount of the rehabilitation loan shall not exceed the lesser of \$12,000, the actual cost of the work performed, or that portion of the cost of rehabilitation that the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family thereon

Statutory Authority: *MS s 462A 06*

History: *22 SR 1547*

URBAN AND RURAL HOMESTEADING PROGRAM**4900.2400 SCOPE.**

Parts 4900 2400 to 4900 2600 govern the implementation of the urban and rural homesteading program under Minnesota Statutes, section 462A 057.

Statutory Authority: *MS s 462A 057, 462A 06*

History: *22 SR 1402*

4900.2420 DEFINITIONS.

[For text of subps 1 and 2, see M R.]

Subp 3 **Applicant.** "Applicant" means one or more entities that submit an application to the agency for a grant under the urban and rural homesteading program.

Subp 4 **Application.** "Application" means a submittal requesting a grant of funds under the urban and rural homesteading program.

[For text of subps 5 and 6, see M R]

Subp 7 **Eligible organization.** "Eligible organization" means an applicant that has been selected to receive a grant under the urban and rural homesteading program

[For text of subps 8 to 11, see M R]

Subp 12 **Program.** "Program" means the urban and rural homesteading program administered under parts 4900 2400 to 4900 2600

[For text of subp 13, see M R]

Statutory Authority: *MS s 462A 057, 462A 06*

History: *22 SR 1402*

4900.2440 URBAN AND RURAL HOMESTEADING PROGRAM.

Subpart 1 **Purpose of program.** The urban and rural homesteading program provides grants to eligible organizations to acquire and rehabilitate existing single family residences and sell them through contracts for deed to eligible homebuyers who are considered to be at risk and are willing to strengthen the neighborhood by adhering to a good neighbor policy reference

Subp 2 **Uses of grant money.** The agency may award grants to eligible organizations of up to \$300,000. The grants must be used by eligible organizations to buy eligible properties and pay for the cost of rehabilitating those properties. The agency may establish an allocation plan for the program to provide for the greater likelihood of awarding such grants among urban and rural properties. The agency may also establish requirements pertaining to maximum allowable administrative costs under the program, but in no instance may the administrative costs exceed \$30,000 per eligible organization from funds appropriated for the program during the period of acquisition, rehabilitation, and sale

Statutory Authority: *MS s 462A 057, 462A 06*

History: *22 SR 1402*

4900.2520 ELIGIBLE PROPERTIES:

[For text of subps 1 and 2, see M R]

Subp 3 **Appraisal.** Eligible properties must be appraised after the completion of rehabilitation work by an appraiser approved to conduct appraisal for the Federal Housing Administration, Veterans Administration, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation. The purchase price for the eligible property to be paid by the at-risk homebuyer must be less than or equal to 125 percent of the appraised value of the eligible property after rehabilitation

Subp 4 **Acquisition and rehabilitation costs.** The total cost of the acquisition, rehabilitation, and closing costs 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 for limited unit developments. The maximum may be exceeded if the excess costs are attributed to rehabilitation or improvements to make the property handicap accessible

Statutory Authority: *MS s 462A 057, 462A 06*

History: *22 SR 1402*

4900.2540 ELIGIBLE HOMEBUYERS.

An individual or family eligible to purchase a home under the program must be an at-risk homebuyer as described in part 4900 2420, subpart 5, and must also

A not have owned a residential dwelling for the three years before the date of execution of the contract for deed;

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B have household income before the date of execution of the contract for deed at or below limits established by the eligible organization, but in no instance may such income limits be established at a level higher than 80 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,

C have sufficient gross household income so that on the date of execution of the contract for deed at least 25 percent of that income will be adequate to pay monthly installments of real estate taxes and hazard insurance premiums,

D agree to either apply 25 percent of their adjusted gross monthly household income or ten percent of their gross monthly household income, whichever is greater, to the debt incurred under the contract for deed, and

E immediately inform the eligible organization of significant changes in gross household income and cooperate and participate in annual recertification of gross household income by the eligible organization

Statutory Authority: *MS s 462A 057, 462A 06*

History: *22 SR 1402*