

1653.0101 PARTICIPATION REPURCHASE.

An originating lender is under no obligation to repurchase an RFA participation interest in a restructure first mortgage loan covered by parts 1653.0011 to 1653.0111 except as provided in this part.

A lender may, at its option and upon written approval by the RFA, repurchase an RFA participation interest at any time.

A lender must repurchase the RFA participation interest whenever the first mortgage loan is paid in full or refinanced.

A lender must repurchase the RFA participation interest if the lender:

- A. has made misrepresentations or is aware that the applicant has made them or fails to perform its obligations under the participation agreement;
- B. has received written notice from the RFA; and
- C. has not corrected the representation or performance under the notice.

A repurchase under this part must be for the principal balance of the RFA participation plus accrued interest and any penalties or costs incurred by the RFA to secure repurchase.

Statutory Authority: *MS s 41B.07*

History: *20 SR 2427*

Published Electronically: *October 26, 2005*