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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1084

02/15/2021 Authored by Agbaje and Olson, L., The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to housing; increasing the maximum loan amount under the rehabilitation
1.3 loan program; amending Minnesota Statutes 2020, section 462A.05, subdivision
1.4 14a.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 462A.05, subdivision 14a, is amended to read:

1.7 Subd. 14a. Rehabilitation loans; existing owner-occupied residential housing. It may
1.8 make loans to persons and families of low and moderate income to rehabilitate or to assist
1.9 in rehabilitating existing residential housing owned and occupied by those persons or
1.10 families. No loan shall be made unless the agency determines that the loan will be used
1.11 primarily for rehabilitation work necessary for health or safety, essential accessibility
1.12 improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation
1.13 of owner-occupied residential housing shall be denied solely because the loan will not be
1.14 used for placing the residential housing in full compliance with all state, county or municipal
1.15 building, housing maintenance, fire, health or similar codes and standards applicable to
1.16 housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount
1.17 determined under rules adopted by the agency not to exceed \$27,000 \$40,000, or (b) the
1.18 actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the
1.19 agency determines cannot otherwise be paid by the person or family without the expenditure
1.20 of an unreasonable portion of the income of the person or family. Loans made in whole or
1.21 in part with federal funds may exceed the maximum loan amount to the extent necessary
1.22 to comply with federal lead abatement requirements prescribed by the funding source. In
1.23 making loans, the agency shall determine the circumstances under which and the terms and
1.24 conditions under which all or any portion of the loan will be repaid and shall determine the

- 2.1 appropriate security for the repayment of the loan. Loans pursuant to this subdivision may
- 2.2 be made with or without interest or periodic payments.
- 2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.