

the county surveyor, together with a certified copy of the resolution of the governing body setting forth the necessity for said plat, and shall be entitled to record without compliance with the provisions of this chapter. Any amendments, alterations, or vacations of such maps or plats so filed may be entitled to record in like manner.

Sec. 50. **APPLICABILITY.**

Section 48 is effective January 1, 1990, in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Presented to the governor May 23, 1989

Signed by the governor May 26, 1989, 5:25 p.m.

**CHAPTER 270—S.F.No. 613**

*An act relating to housing; regulating the powers and duties of the housing finance agency; amending Minnesota Statutes 1988, sections 462A.03, subdivision 12; 462A.05, subdivisions 4, 14a, 20, 21, and 27, and by adding subdivisions; 462A.07, subdivision 14, and by adding a subdivision; and 462A.21, subdivisions 4c and 12, and by adding a subdivision.*

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

Section 1. Minnesota Statutes 1988, section 462A.03, subdivision 12, is amended to read:

Subd. 12. "Eligible security" means any security payable from or evidencing an interest in mortgages ~~securing~~, all or a portion of which secure loans to finance residential housing.

Sec. 2. Minnesota Statutes 1988, section 462A.05, subdivision 4, is amended to read:

Subd. 4. It may purchase and enter into commitments for the purchase of eligible securities, certificates of deposit, time deposits, or existing mortgage loans from banks, savings and loan associations, insurance companies, or other financial intermediaries, provided that the agency shall first determine that all or a portion of the proceeds of such instruments will be utilized for the purpose of making to make loans for residential housing as defined in section 462A.03, subdivision 7; or all or a portion of the instruments are backed by or otherwise evidence an interest in existing mortgages securing mortgage loans to finance residential housing. In the case of eligible securities backed by existing mortgages, the proceeds must be used in whole or in part either for making loans for residential housing or for preserving the use of existing residential housing by persons and families of low and moderate income.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 3. Minnesota Statutes 1988, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) ~~\$7,500~~ \$9,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments. No loan under this subdivision shall be denied solely on the basis of the inability of the applicant to make periodic loan payments. Loans made without interest or periodic payments need not be repaid by the borrower if the property for which the loan is made has not been sold, transferred or otherwise conveyed nor has it ceased to be the principal place of residence of the borrower, within ten years after the date of the loan.

Sec. 4. Minnesota Statutes 1988, section 462A.05, subdivision 20, is amended to read:

Subd. 20. The agency may make loans or grants solely to for profit, limited dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide temporary or transitional housing to low and moderate income persons and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing or other cause defined by the agency. Loans or grants pursuant to this subdivision shall not be used for residential care facilities or for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a ~~nonprofit~~ sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and the appropriate security should repayment be required.

Sec. 5. Minnesota Statutes 1988, section 462A.05, subdivision 21, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 21. The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low and moderate income tenants and which does not comply with the standards established in section 116J.27, subdivision 3, for the purpose of energy improvements necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision ~~and, in addition, is at least 15 years old,~~ a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 6. Minnesota Statutes 1988, section 462A.05, subdivision 27, is amended to read:

Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing, ~~previously financed by the agency, which was~~ (i) previously financed by the agency, or (ii) not financed by the agency but is benefited by federal housing assistance payments or other rental subsidy or interest reduction contracts. Property or property interests acquired for the purpose specified in clause (1) may be acquired by foreclosure, deed in lieu of foreclosure, or otherwise.

Multifamily property acquired as provided in clause (2) must be managed on a fee basis by an entity other than the agency or corporation. The agency or corporation may manage the property on a temporary basis until an agreement is entered into with another entity to manage the property. The agency or corporation shall make the property available for sale at a purchase price and on terms that are mutually agreeable to the parties.

Sec. 7. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 30. It may invest in, purchase, acquire, and take assignments of existing notes and mortgages not closed for the purpose of sale to the agency, from lenders that are nonprofit or nonprofit entities, as defined in the agency's rules, provided that: (1) the notes and mortgages evidence loans for the construction, rehabilitation, purchase, improvement, or refinancing of residential housing intended for occupancy and occupied by low- and moderate-income persons and families; and (2) the loan sellers utilize the funds derived from the purchases in accordance with the authority contained in section 462A.07, subdi-

New language is indicated by underline, deletions by ~~strikeout~~.

vision 12, for the purposes and objectives of sections 462A.02, 462A.03, 462A.05, 462A.07, and 462A.21; and (3) the purchases are subject to security and limitations on the costs and expenses of the loan sellers incidental to the utilization of the purchase proceeds as the agency may determine. The proceeds of the purchases authorized by this subdivision shall not be subject to the limitations of section 462A.21, subdivisions 4k, 6, 9, and 12.

Sec. 8. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 31. It may agree to purchase, make, or otherwise participate in the making and enter into commitments for the purchase, making, or participation in the making of loans to provide financing for residential housing for occupancy by persons and families of low and moderate income that qualifies for and will be utilized so as to obtain the benefits of low-income housing credits under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision, and the loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable.

Sec. 9. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 32. The agency may obtain the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01 except that the limitation relating to the minimum amounts of the original principal balances of mortgages contained in sections 576.01, subdivision 2 and 559.17, subdivision 2, clause (2), shall be inapplicable to it.

Sec. 10. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 33. The agency may establish a fund to coinsure loans, with a division of risk as determined by the agency, that are made by any banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to low- and moderate-income purchasers of residential housing to be occupied by them, or to low- and moderate-income persons or families for improvements to residential property that they occupy as their principal place of residence, provided that loan insurance on comparable terms and conditions is not otherwise available in the areas where the borrowers' properties are situated.

Sec. 11. Minnesota Statutes 1988, section 462A.07, is amended by adding a subdivision to read:

Subd. 2a. It may provide underwriting, loan processing, and closing services in behalf of other lenders where those services are not otherwise available

New language is indicated by underline, deletions by ~~strikeout~~.

and the loans relate to residential housing for occupancy by low- and moderate-income persons and families. The agency may charge fees for those services in amounts determined by the members to be reasonable.

Sec. 12. Minnesota Statutes 1988, section 462A.07, subdivision 14, is amended to read:

Subd. 14. It may engage in housing programs for low and moderate income American Indians developed and administered separately or in combination by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities as determined by such tribe, band, or communities. In furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, it may engage in housing programs for American Indians who intend to reside on reservations and who are not persons of low and moderate income, provided that the aggregate dollar amount of the loans for each lender's fiscal year shall not exceed an amount equal to 25 percent of the total dollar amount of all loans made by that lender during the lender's fiscal year at the time of loan application. In developing such housing programs the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program (a) content, (b) utilization of funds, (c) administration, (d) operation, (e) implementation and other matter, as determined by the agency, must be submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. All such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians and the Sioux communities shall:

(a) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds as set forth in section 462A.26 and to insure compliance with the provisions of this section and this chapter, and

(b) shall agree that all of their official books and records related to such housing programs shall be subjected to audit by the legislative auditor in the manner prescribed for agencies of state government.

New language is indicated by underline, deletions by ~~strikeout~~.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses and services pursuant to subdivision 12, and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in subdivision 3. Members of boards, committees, or other governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575. Rules promulgated under this subdivision may be promulgated as emergency rules under chapter 14.

Sec. 13. Minnesota Statutes 1988, section 462A.21, subdivision 4c, is amended to read:

Subd. 4c. It may establish a revolving loan fund and may make eligible loans, pursuant to subdivision 4b, to ~~low and moderate income~~ American Indians as provided in section 462A.07, subdivision 14, and may pay the costs and expenses necessary and incidental to the development and operation of such programs.

Sec. 14. Minnesota Statutes 1988, section 462A.21, subdivision 12, is amended to read:

Subd. 12. It may make loans or grants for the purpose of section 462A.05, subdivision 20, and may pay the costs and expenses necessary and incidental to the loan or grant program authorized therein. Grants pursuant to section 462A.05, subdivision 20 may be made only with specific appropriations by the legislature.

Sec. 15. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 41. It may expend money for the purposes of section 462A.05, subdivision 33, and may pay the costs and expenses for the development and operation of the program.

Presented to the governor May 23, 1989

Signed by the governor May 25, 1989, 6:37 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.