

## **4900.0630 ELIGIBLE RECIPIENTS OF REHABILITATION GRANTS AND LOANS.**

Subpart 1. **Requirement on the application.** In addition to all conditions imposed by the act, an application for a rehabilitation grant or loan shall satisfy the following requirements.

Subp. 2. **Principal place of residence.** The recipient(s) must occupy the structure to be improved as the recipient's(s') principal place of residence and individually or in the aggregate have at least a life estate or a one-third interest in the fee title or in the contract for deed with respect to such structure. The agency may waive or modify the ownership and security requirement when necessary to permit rehabilitation grants for structures located on Indian reservations. For mobile homes taxed as personal property or not permanently affixed to real property, recipient(s) must be current in any loan payments on the structure, and individually or in the aggregate have a 100 percent interest in the title to the mobile home.

For the purpose of complying with the ownership requirements, the recipient may aggregate the recipient's interest in such property with the ownership interests of other individuals also occupying the structure to be improved as their principal place of residence. All individuals occupying the structure to be improved as their principal place of residence and having an ownership interest in such structure must join in the application.

Subp. 3. **Person of low and moderate income.** Each recipient must be a person or family of low or moderate income. "Low or moderate income" is defined as income not to exceed 30 percent of median income adjusted for household size for the Minneapolis-St. Paul Metropolitan Statistical Area as determined by the United States Department of Housing and Urban Development.

Subp. 4. **Deferred loan assets.** "Assets" for purposes of deferred loans described in parts 4900.0610 to 4900.0700 is the sum of the following, after deducting any outstanding indebtedness:

- A. cash on hand or in checking or savings accounts;
- B. securities or United States Savings Bonds;
- C. market value of all interests in real estate, exclusive of the structure to be improved and a parcel of real property of not more than two contiguous platted lots or 160 continuous acres on which such structure is located;
- D. cash value of life insurance policies; and
- E. all other property, exclusive of household furnishings, clothing, and one automobile, and real estate, equipment, supplies, and inventory used in a business.

Subp. 5. **Revolving loan assets.** Assets for the purposes of revolving loans is the sum of the following, after deducting any outstanding indebtedness:

- A. cash on hand or in checking or savings accounts;
- B. securities or United States Savings Bonds;
- C. market value of all interests in real estate, exclusive of the structure to be improved and a parcel of real property of not more than two contiguous platted lots or 160 contiguous acres on which such structure is located;
- D. cash value of life insurance policies; and
- E. all other property, exclusive of household furnishings, clothing, one automobile, and real estate, equipment, supplies, and inventory used in a business.

Subp. 6. **Previous revolving loans.** No applicant may receive a revolving loan to improve a property if the combined original principal amounts of revolving loans received by the applicant to improve the property will exceed \$15,000, or if the outstanding balance of revolving loans will exceed the maximum loan amount in part 4900.0640, subpart 2.

Subp. 7. **Other assistance.** Applicants for receipt of revolving loans cannot be eligible for assistance provided under parts 4900.0510 to 4900.0520 and 4900.0590 to 4900.0594; or for local or federal government housing rehabilitation financing programs which may be available in the area in which the property is located.

**Statutory Authority:** *MS s 14.05; 462A.06*

**History:** *13 SR 2153; 17 SR 1279; 22 SR 1547; 24 SR 1332; 29 SR 1479; L 2014 c 161 art 3 s 1*

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