

CHAPTER 462A

HOUSING FINANCE AGENCY LAW OF 1971

462A.03	Definitions.	462A.20	Housing development fund; creation, sources.
462A.04	Housing finance agency.	462A.21	Housing development fund; advances, use repayment.
462A.05	Specific powers of the agency.	462A.22	Bond fund.
462A.07	Additional powers and duties of the agency.		

462A.03 DEFINITIONS.

[For text of subs 1 to 9, see M.S.1980]

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by temporary or permanent rules.

[For text of subs 11 to 19, see M.S.1980]

History: 1981 c 306 s 3

462A.04 HOUSING FINANCE AGENCY.

[For text of subs 1 to 7, see M.S.1980]

Subd. 8. The agency shall be under the administrative control of an executive director which office is established. He shall be appointed by the governor under the provisions of section 15.06.

The executive director may appoint a deputy director. The executive director may further appoint such permanent and temporary employees as he deems necessary subject to the approval of the commissioner of employee relations. All permanent employees of the agency, except the executive director, deputy director, and five additional positions reporting directly to the director are in the classified civil service. Notwithstanding section 16A.752 or any other provision of law to the contrary, any approved complement established by law for the agency shall not be reduced as a result of vacancies in approved positions. The five additional unclassified positions permitted by this subdivision shall only be filled in the manner and pursuant to the procedures and conditions specified in section 43.09, subdivision 2a; provided, that no additional deputy commissioner positions may be created.

[For text of subs 8a and 9, see M.S.1980]

History: 1981 c 306 s 4

462A.05 SPECIFIC POWERS OF THE AGENCY.

[For text of subds 1 to 14, see M.S.1980]

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) \$6,000, 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.

[For text of subds 15 and 15a, see M.S.1980]

Subd. 15b. It may make grants to assist in energy conservation rehabilitation measures for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, and structural or other directly related repairs essential for energy conservation. The grant to any household shall not exceed \$2,000.

To be eligible for an emergency energy conservation grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of energy, planning and development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The housing finance agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other housing finance agency loan or grant programs.

[For text of subd 16, see M.S.1980]

MINNESOTA STATUTES 1981 SUPPLEMENT

1487

HOUSING FINANCE AGENCY LAW OF 1971 462A.20

Subd. 17. The agency may make conventional loans, as defined in and in accordance with the conditions and limitations prescribed in section 47.20. Notwithstanding section 47.20, conventional loans owned by the agency on May 30, 1981 or thereafter made or purchased may contain provisions which limit, condition, or prohibit assumption of the loans.

[For text of subd 18, see M.S.1980]

Subd. 19. It may make no interest loans of up to \$4,000 to persons and families of low and moderate income who are veterans or veterans' dependents to assist in making down payments to enable them to purchase new or existing housing to be used as their principal place of residence. To be eligible, the veterans or veteran's dependent must be a first time home owner, and must enter into an agreement with the agency, with appropriate security as determined by the agency, to repay the loan amount in full when the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence. For the purpose of this subdivision, "veteran" means a person residing in Minnesota who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, and who served at any time during the period from August 5, 1964 to May 7, 1975; and "veteran's dependent" means a person residing in Minnesota who is the unmarried surviving spouse of a veteran.

[For text of subd 20, see M.S.1980]

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 116H.129, subdivision 3, for the purpose of energy improvements necessary to bring the property into 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.

History: 1981 c 306 s 5-8; 1981 c 356 s 238

462A.07 ADDITIONAL POWERS AND DUTIES OF THE AGENCY.

[For text of subds 1 to 15, see M.S.1980]

Subd. 16. It may establish cooperative relationships with municipal housing and redevelopment authorities and municipalities to develop priorities for the use of agency resources and assistance within municipalities, and to consider municipal housing plans and programs in the process of setting the priorities.

History: 1981 c 306 s 9

462A.20 HOUSING DEVELOPMENT FUND; CREATION, SOURCES.

[For text of subds 1 and 2, see M.S.1980]

Subd. 3. Whenever any moneys are appropriated by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the

MINNESOTA STATUTES 1981 SUPPLEMENT

receipt and disbursement of such moneys and of the income, gain, and loss from the investment and reinvestment thereof. The agency may transfer unencumbered balances from one appropriated account to another, provided that (1) no moneys appropriated for the purpose of agency loan programs may be transferred to an account to be used for making grants, and (2) moneys appropriated for the purpose of section 462A.21, subdivisions 4a, 4f, and 4g, may only be transferred for the purpose of section 462A.21, subdivision 4i.

History: 1981 c 306 s 10

462A.21 HOUSING DEVELOPMENT FUND; ADVANCES, USE REPAYMENT.

[For text of subds 1 to 4h, see M.S.1980]

Subd. 4i. It may establish a revolving loan fund for the purpose of section 462A.05, subdivision 14a and may pay the costs and expenses necessary and incidental to the development and operation of the loan program authorized therein.

[For text of subds 5 to 7, see M.S.1980]

Subd. 8. It may establish a home ownership assistance fund, on terms and conditions it deems advisable, to assist persons and families of low and moderate income in the purchase of affordable residential housing and may use the funds to provide additional security for eligible loans or to pay costs associated with or provide additional security for bonds issued by the agency.

[For text of subds 9 and 10, see M.S.1980]

Subd. 11. [Repealed, 1981 c 306 s 20]

[For text of subd 12, see M.S.1980]

History: 1981 c 306 s 11,12

462A.22 BOND FUND.

[For text of subds 1 to 8, see M.S.1980]

Subd. 9. The agency shall also submit a biennial report of its activities, projected activities, receipts, and expenditures for the next biennium, to the governor and the legislature on or before January 15 in each odd-numbered year. The report shall include the distribution of money under each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality.

In addition, the report shall include the cost to the agency of the issuance of its bonds for each issue in the biennium, along with comparable information for other state housing finance agencies.

[For text of subd 10, see M.S.1980]

History: 1981 c 306 s 13