

2705 LOAN AMOUNTS, TERMS, AND CONDITIONS

- 2705.1 Pre-purchase loan assistance shall be provided in the form of short-term deferred payment loans, in accordance with the provisions of this section.
- 2705.2 Earnest money loans to individual households and tenant associations shall be made for an amount not to exceed two thousand dollars (\$2,000) for single-family dwelling purchase and for an amount not to exceed five percent (5%) of the negotiated purchase price of the building.
- 2705.3 Purchase option loans to tenant associations shall be made only for an amount not to exceed two hundred dollars (\$200) per unit.
- 2705.4 Pre-purchase loans shall become due at the time of closing on the permanent financing unless efforts to purchase cease before then as evidenced by the borrowers failure to contract or to go to settlement. If the property is not acquired, loans shall be due within sixty (60) days of the date of the failure to contract [or] go to settlement.
- 2705.5 The Department may forgive up to one hundred percent (100%) of the loan amount if the borrower can demonstrate to the satisfaction of the Department the following:
- (a) That the borrower had made diligent efforts to raise the funds; and
 - (b) That the borrower does not have sufficient assets to repay any part or all of the loan.
- 2705.6 No interest shall be charged on pre-purchase loans.
- 2705.7 The following matching requirements shall apply to pre-purchase loans:
- (a) Individual households shall provide a five hundred dollar (\$500) match for earnest money loans; and
 - (b) Tenant associations shall provide five hundred dollars (\$500) per participating household for all pre-purchase loan assistance, of which two hundred dollars (\$200) shall be payable at the time of settlement on the earnest money loan, and the balance of three hundred dollars (\$300) shall be payable at the time of settlement on a gap loan or loan guarantee.
- 2705.8 Down payment assistance to individual households shall be made in accordance with the loan amounts, terms, and conditions of the rules of the D.C. Home Purchase Assistance Program.

SOURCE: Notice of Final Rulemaking published at 28 DCR 903, 907-908 (February 27, 1981).