

## **2809 DIRECT PAYMENT LOANS**

- 2809.1 The maximum deferred payment loan amount shall be the amount, as determined by DHCD based on the underwriting standards set forth in § 2805, which the borrower cannot afford to borrow on an amortizing basis, not to exceed the loan principle established in § 2807.
- 2809.2 [Deleted]
- 2809.3 There shall be no limit on the maximum loan term of a deferred payment loan as long as the property remains in the ownership of the original borrower and the borrower remains as an owner-occupant of the property.
- 2809.4 Each deferred payment loan shall be secured by the recorded lien on the property.
- 2809.5 The principal amount of any deferred payment loan shall be repaid to the Department upon the sale or transfer of the property to another owner, except as provided under § 2809.6.
- 2809.6 In the case of owner-occupants, deferred payment loans may be transferred if either of the following applies:
- (a) Ownership of the property is transferred by the original loan recipient to another low-moderate income member of the applicant's household who has resided in the property for a minimum of one (1) year; or
  - (b) Ownership of the property is transferred by inheritance upon the death of the original loan recipient (as evidenced by the loan application for the Program) to any member of his or her family.

SOURCE: Notice of Final Rulemaking published at 29 DCR 5394, 5402 (December 10, 1982); as amended by Notice of Final Rulemaking published at 32 DCR 329, 331 (January 18, 1985); as amended by Notice of Emergency Rulemaking published at 50 DCR 10182, 10183 (November 28, 2003); as amended by Notice of Final Rulemaking published at 51 DCR 11061 (December 3, 2004).