

3704 TERMS AND CONDITIONS OF LOANS

- 3704.1 Loans made under this Program are repayable at an interest rate of at least three percent (3%). The Director may adjust the interest rate as needed to support the objective of the program.
- 3704.2 Loans made under this Program shall require repayment of the principal loan amount and interest in monthly payments with the loan being amortized over a maximum of twenty (20) years.
- 3704.3 Loans made under this Program shall be secured by a lien or subordinated trust on the property purchased and by other security instruments deemed appropriate by the Director.
- 3704.4 Loans made under the Program shall require that the entire unpaid principal amount of the loan be repaid upon the sale or transfer of ownership of the property to another owner, or upon the refinancing of any other indebtedness secured on the property, if the refinancing shall result in any withdrawal of cash or equity value from the property by the loan recipient.
- 3704.5 In the event of the death of the original loan recipient, the loan may be transferred to another low or moderate income household member who has resided in the property for at least one (1) year and who will continue to occupy the property as his or her primary residence. In the event of such transfer, all of the original terms of the loan agreement shall remain in force and effect.
- 3704.6 The terms of each loan made under the Program shall provide that the principal amount of the loan shall become due and payable whenever the loan recipient ceases to occupy the property purchased as his primary residence.
- 3704.7 Notwithstanding any other provision of this chapter, the terms of each loan made under the Program shall provide the following:
- (a) That the loan recipient is required to maintain the property purchased in compliance with the Housing Code of the District of Columbia;
 - (b) That the Department may require an acceleration of payments under the loan in the event of default under the terms of the Note, Loan Agreement or Deed of Trust;
 - (c) That the Note, Loan Agreement, Deed of Trust, Financing Statement, and all other legal documents evidencing and securing the loan shall contain such other provisions as are normal and customary, and do not conflict with the rules and other District of Columbia law.

SOURCE: Notice of Final Rulemaking published at 47 DCR 9717, 9721-22 (December 8, 2000).