

2506 REPAYMENT OF LOANS

- 2506.1 Loans made under the Program shall require that the entire unpaid principal amount of the loan shall be repaid to DHCD immediately upon (1) the sale or transfer of the property to another owner; (2) the property ceasing to be the borrower's principal place of residence; or (3) 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.
- 2506.2 Except as provided in § 2506.1, the loan may be transferred without repayment by the original loan recipient to another lower or moderate income household member who has resided on the property for at least one (1) year and who shall occupy the property as his or her principal residence, upon the death of the original loan recipient.
- 2506.3 In the case of a loan made to secure occupancy of a cooperative unit, the terms of the loan shall require that the principal amount be repaid to DHCD whenever the household vacates or otherwise ceases to occupy the unit.
- 2506.4 Except as provided in § 2506.3, the loan may be transferred without repayment to the cooperative corporation if another household eligible for assistance under the Program occupies the unit.
- 2506.5 In the case of any transfer without repayment as specified in this section, all of the original terms of the loan agreement shall remain in force and effect.
- 2506.6 When an applicant can be assisted to home ownership by use of the Program in combination with home ownership assistance programs, the Director shall have the authority to establish alternative repayment requirements and procedures for the Program other than those set forth in § 2506.

SOURCE: Notice of Final Rulemaking published at 28 DCR 526 (January 30, 1981); as amended by: Notice of Final Rulemaking published at 31 DCR 2968, 2974 (June 15, 1984); and Notice of Final Rulemaking published at 34 DCR 4394, 4397 (July 12, 1987); Notice of Final Rulemaking published at 34 DCR 4394, 4397 (July 12, 1987); Notice of Final Rulemaking published at 53 DCR 438 (January 20, 2006).