

**2505 TYPES OF LOANS: PRINCIPAL ONLY, INSECURED,
DEFERRED PAYMENT**

- 2505.1 Except as provided for in Sections 2505 through 2506, all financial assistance under the Program shall be either Principal-Only Loans repayable after five (5) years, or deferred payment loans consistent with Subsection 2504.2 of this chapter secured by a lien or subordinated trust on the property purchased or by other security provided for in this chapter or deemed appropriate by the Department.
- 2505.2 [Repealed].
- 2505.3 [Repealed].
- 2505.4 In cases where an applicant is determined to be unable to afford the monthly payments of principal required under a Principal-Only Loan, and where the applicant is a Displaced Household, and would be required to move from the home he or she now occupies if monthly payments of principal were required beginning in the sixth year of the loan, but meets all other requirements of this chapter, the applicant may receive an additional deferral of all payments beyond the initial five-year deferred period, subject to review and approval by the Department for a period not to exceed five (5) years after the date of such additional deferment.
- 2505.5 In determining whether an applicant can afford the monthly payments of principal under a Principal-Only Loan, the Department shall use the criteria in § 2501.4 and § 2501.5.
- 2505.6 [Repealed].
- 2505.7 All Loans under HPAP shall be secured by a recorded lien or subordinated trust on the property purchased unless this requirement is explicitly waived as provided for in § 2500.5 of this chapter.
- 2505.8 The loans may also be secured by financing statements or liens on the stock or other assets of a loan recipient, by an assignment of leases or rents, or by other means consistent with District of Columbia law.
- 2505.9 The Department may, by determination of the Program Administrator, provide additional HPAP assistance in the form of a grant or an unsecured deferred payment loan in amounts needed to cover all or a portion of closing costs, if required to meet the loan-to-value ratio requirements of the first mortgage, to the extent such costs exceed the requirements of § 2501.9 of this chapter.

District of Columbia Municipal Regulations

SOURCE: Notice of Final Rulemaking published at 28 DCR 526 (January 30, 1981); as amended by: Notice of Final Rulemaking published at 33 DCR 2775 (May 9, 1986); Notice of Final Rulemaking published at 34 DCR 4394 (July 10, 1987); and Notice of Final Rulemaking published at 44 DCR 1553, 1556 (March 14, 1997); Notice of Final Rulemaking published at 53 DCR 436 (January 20, 2006); Notice of and Final Rulemaking published at 53 DCR 5253, 5254 (June 30, 2006); as amended by Final Rulemaking published at 67 DCR 12677 (October 30, 2020).