

3005 FINANCIAL ASSISTANCE TO BE PROVIDED

- 3005.1 The Department shall provide either amortized or deferred payment loans to eligible senior citizen homeowner applicants.
- 3005.2 The maximum loan principal for an amortized or deferred loan shall be five thousand dollars (\$5,000) per property.
- 3005.3 The maximum loan term for an amortized loan shall be twenty (20) years.
- 3005.4 An amortized loan shall be repaid with interest at an annual rate not to exceed three percent (3%).
- 3005.5 An amortized loan shall be repaid on a monthly schedule until paid in full.
- 3005.6 The outstanding principal balance of an amortized loan shall be paid in full upon sale or transfer of the property.
- 3005.7 The Director may waive any of the requirements of this section, if the Director determines the repayment schedule creates an economic hardship on the homeowner receiving the loan.
- 3005.8 An amortized loan repayment shall be considered an economic hardship if the applicant's average monthly housing expenses for principal, interest, taxes, insurance and the cost of the amortized loan exceeds twenty-eight percent (28%) of the applicant's gross monthly income.
- 3005.9 If the applicant's monthly housing expenses exceed the standard established in § 3005.8, the applicant shall be eligible to receive a deferred payment loan.
- 3005.10 The deferred payment loan shall be due and payable if the borrower moves from the property.
- 3005.11 The deferred payment loan shall be repaid to the Department upon sale of the property to another owner.
- 3005.12 In the case of transfer of ownership, a repayment schedule may be renegotiated with the new owner based upon the ability of the new owner to meet the criteria established in § 3005.8.
- 3005.13 Amortized and deferred payment loans may be subordinated to existing debt secured by the property.
- 3005.14 All DHCD loans shall be secured by a recorded lien on the rehabilitated property.
- 3005.15 All loan funds shall be used for correction of housing deficiencies identified by DHCD.

SOURCE: Notice of Final Rulemaking published at 37 DCR 7621, 7625 (December 7, 1990).