

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Adoption of  
Rules Governing Eligible Applica-  
tions in Home Improvement Loans  
Without a Public Hearing

Statement of Need  
and Reasonableness

12 MCAR § 3.051

This proposed rule deletes the requirement that structures to be imposed must be at least 15 years old, or in need of repair to correct damage resulting from a national disaster, or in need of repair to correct defects or deficiencies which are hazardous to health or safety, or to directly improve energy efficiency. A new standard requiring that houses be at least 90 days old is established.

This revision is necessary to simplify the process of qualifying applicants for loans. Because many homeowners do not know the exact year in which their houses were built, it is necessary for lending institutions to perform additional verifications in order to ensure compliance with the requirement. The standard was originally established in order to give priority in receiving funding to older homes which tend to be in greater need of repair. The Agency has not experienced the scarcity of funds which had been anticipated at the time that the standard was established. Therefore it is now reasonable to remove the standard since there is not a need to provide a priority for older homes.

The new standard is set at 90 days to ensure that funds are being lent to improve a completed structure and not to complete an unfinished structure.