

761 CMR 2.00: FINDINGS RELEASED PRIOR TO ACCEPTANCE OF PROGRAM APPLICATIONS

Section

2.01: Authority

2.02: Required Agency Findings and Determination

2.01: Authority

These Rules and Regulations are issued by Home Mortgage Finance Agency under authority conferred by St. 1974 c. 846 as amended.

2.02: Required Agency Findings and Determination

(1) Loans-to-Lenders Program

(a) Loan Applications, the Agency shall find:

1. Mortgage lenders in the Commonwealth are not making loans available to low-income persons and families, as defined in M.G.L. c. 23 App., S2.1, in amounts and at terms which enable them to purchase, maintain and rehabilitate decent, safe and sanitary one-to four-family homes for their own occupancy;
2. Mortgage lenders in the Commonwealth are not making loans available to moderate-income persons and families in amounts and at terms which enable them to purchase, maintain and rehabilitate decent, safe and sanitary one-to four-family homes for their own occupancy without spending more than 25% of their income on housing expenses (including the provision of heat, electricity, hot water and an allowance for maintenance and repairs);
3. By making low-cost loans to mortgage lenders under the MHMFA Loans-to-Lenders Program, the inability of low and moderate-income persons and families to purchase, maintain and rehabilitate their own homes will be alleviated;
4. The criteria for eligibility of borrowers, maximum loan amounts and terms for loans by mortgage lenders to borrowers as set by the Agency for its Loans-to-Lenders Program are appropriate to accomplish the legislative purpose set forth in the Agency's Enabling Statute, M.G.L. c. 23 App., S2.1 *et seq.*, as amended.

(b) The Agency shall, from time to time, at intervals deemed appropriate by the Agency, make determinations regarding the cost to purchase, maintain and rehabilitate decent, safe and sanitary one-to four-family owner-occupied new and existing homes in the Commonwealth, and adjust the borrower eligibility criteria, and the terms and amounts of loans by mortgage lenders to borrowers under the Loans-to-Lenders Program as the Agency deems necessary and appropriate to accomplish the legislative purpose set forth in its enabling statute.

(2) Loan Purchase Program

(a) Before issuing to sellers Notices of Acceptance of Commitment Applications, the Agency shall find that the availability of home mortgage funds in the Commonwealth has become constricted. The Agency shall further find that, as a result of such construction:

1. Mortgage lenders in the Commonwealth are not generally making loans available to low-income persons and families, as defined in M.G.L. c. 23 App., S2.1, in amounts and at terms which enable them to purchase, maintain and rehabilitate decent, safe and sanitary one-to four-family homes for their own occupancy;
2. Mortgage lenders in the Commonwealth are not generally making loans available to moderate-income families in amounts and at terms which enable them to purchase, maintain and rehabilitate decent, safe and sanitary one-to four-family homes for their own occupancy without spending more than 25% of their income on housing expenses (including the provision of heat, electricity, hot water and an allowance for maintenance and repairs);

2.02: continued

3. By making commitments to sellers to purchase 90% participation interests in qualifying loans, the inability of low-and moderate-income persons and families to purchase, maintain rehabilitate their own homes will be alleviated;

4. The criteria for qualifying loans in which the Agency will purchase 90% participation interests as set by the Agency for its Loan Participation Program are appropriate to accomplish the legislative purpose set forth in the Agency's enabling statute, M.G.L. c. 23 App., S2.1 *et seq.*

(b) The Agency shall, from time to time, at intervals deemed appropriate by the Agency, make determinations regarding the cost to purchase, maintain and rehabilitate decent, safe and sanitary one-to four-family new and existing owners-occupied homes in the Commonwealth, and adjust the criteria for qualifying loans in which the Agency will purchase 90% participation interests under the Loan Participation Program as the Agency deems necessary and appropriate to accomplish the legislative purpose set forth in its enabling statute.

REGULATORY AUTHORITY

761 CMR 2.00: St. 1974, c. 846, as amended by
St. 1977, c. 561.