

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENTNOTICE OF FINAL RULEMAKING

The Director of the Department of Housing and Community Development, pursuant to the authority set forth in §§ 2 and 5 of the District of Columbia Home Purchase Assistance Act of 1978, D.C. Law 2-103, D.C. Official Code §§ 42-2601 and 42-2604 (2001), as amended and Mayor's Order No. 80-8 (January 14, 1980), hereby gives notice of the adoption of the following amendments to Chapter 25 (Home Purchase Assistance Program) of Title 14. The amendments increase the maximum financial assistance available to eligible households under the Home Purchase Assistance Program; revise the procedure for determining monthly principal payment for lower-income applicants; defer repayment requirements for all components for five years; establish a maximum mortgage amount, incorporate the lead safe housing requirements as a condition of settlement; and eliminate the market-increased equity requirement upon sale, transfer or refinancing. The notice of Proposed Rulemaking was published in the *D.C. Register* at 50 DCMR 8607 (October 10, 2003). No comments were received. These amendments will become effective upon publication of this notice in the *D.C. Register*.

Section 2500 of Chapter 25 (Home Purchase Assistance Program) of Title 14 DCMR, is amended as follows:

Subsection 2502.5 is amended by adding the following sentence to the end of the paragraph:

2502.5 Settlement is also subject to the federal and District lead safe housing regulations, including but not limited to, HUD Disclosure and Notice requirements and the EPA pamphlet; Visual Assessment; Paint Stabilization, if any required, use of Safe Work Practices and Clearance. Housing built after 1978 is exempt from these regulations. 24 CFR Part 35 Subpart K; DCMR Title 20, Chapter 8, Sec. 806 (1998).

A new Subsection 2502.6 is added to read as follows:

Maximum Mortgage Amount

2502.6 The maximum first trust loan amount shall not exceed the conventional conforming loan limit.

Subsection 2503. 1 is amended to read as follows:

2503. 1 The amount of financial assistance provided to an eligible household shall be as follows:

(a) For very low-income applicants, the amount of financial assistance shall not exceed Thirty Thousand Dollars (\$30,000) The Director may increase the amount of financial assistance for very low-income households up to Thirty Five Thousand Dollars (\$35,000) when the following conditions apply:

- (1) Applicant household demonstrates a need for additional assistance; and
- (2) Applicant household is elderly, handicapped, disabled, or a displaced household; and
- (b) For lower-income applicants, the amount of financial assistance provided shall not exceed Twenty Thousand Dollars (\$20,000); and
- (c) For moderate-income applicants, the amount of financial assistance provided shall not exceed Ten Thousand Dollars (\$10,000).

Subsection 2504.1 is amended to read as follows:

- 2504. 1 For lower-income applicants, the monthly principal payment required for a Principal-Only loan shall be based on the amortization period of the first trust loan and payment shall begin five (5) years after the date of the loan execution.

Subsection 2504. 2 is amended to read as follows:

- 2504. 2 Loans made to very low-income households shall require monthly Principal-Only payments in an amount not less than the loan amount amortized over a four hundred eighty (480) month period and payment shall begin not less than five (5) years from the date of the loan execution.

Subsection 2504. 3 is amended to read as follows:

- 2504. 3 Loans made to moderate-income applicants shall be deferred for five (5) years and shall require repayment of the principal loan amount and interest at an annual interest rate to be established by the Department. The Interest rate may be at least two percentage points (2%) lower than the interest rate of the first deed of trust lender, but in no event less than a minimum interest rate of three percent per annum (3%) After the five year deferral, the loan shall be amortized concurrent with the remainder of the term of the first trust note securing the property.

Subsection 2505. 1 is amended to read as follows:

- 2505. 1 Except as provided for in Sections 2505 through 2507, all financial assistance under the Program shall be as follows:
 - (a) For eligible very low-income applicants Principal-Only Loans repayable, after five (5) years, consistent with Section 2504.2 of this Chapter, secured by a lien or subordinated trust on the property purchased and by other security instrument provided for in this chapter or deemed appropriate by the Department;

- (b) For eligible lower-income applicants Principal-Only Loans repayable, after five (5) year deferral, secured by a lien or subordinated trust on the property purchased and by other security instrument provided for in this chapter or deemed appropriate by the Department;
- (c) For eligible moderate-income applicants: Interest Bearing Amortized Loans, repayable, after five (5) year deferral, consistent with §2504.3 of this Chapter, secured by a lien or subordinated trust on the property purchased and by the other security instruments provided for in this chapter or deemed appropriate by the Department.

Subsection 2505. 7 is amended to read as follows:

2505. 7 All Deferred Payment 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.

Subsection 2506. 1 is amended to read as follows:

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.

Subsection 2507 is deleted in its entirety.