

FLORIDA HOUSING FINANCE CORPORATION

RULE CHAPTER 67-25

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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67-25.002 – Definitions.

(1) “Act” means the Florida Housing Finance Corporation Act, as found in Chapter 420,
Part V sections 420.501 through 420.516, part V, Florida Statutes, as amended.

(2) “Acquisition Price” means the cost of acquiring a single-family residence from the seller as a completed residential unit. “Agency” means the Florida Housing Finance Agency, created pursuant to the act.

(3) "Annual Family Income" means the mortgagor's annualized gross income. Annualized gross income is gross monthly income multiplied by twelve (12). Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, dividends, interest royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc.; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments.) The income to be taken into account in determining the gross monthly income is the income of the mortgagor (or mortgagors) and any other person who is expected to principally and permanently reside in the residence being financed. the current annual income, as determined by federal regulations, if any, for eligible persons or families residing or intending permanently to reside in the single family residence.

(4) No change.

(5) No change.

(6) “Average Area Purchase Price” means the average purchase price of single-family residences in the county wherein the single-family residence is located. “Acquisition Cost” means the cost of acquiring a single family residence from the seller as a completed residential unit.

(7) No change.

(8) No change.

(9) No change.

(10) No change.

(11) No change.

(12) “Conventional Mortgage Loan” means a Mortgage Loan other than an FHA Insured Mortgage Loan, USDA-RD Guaranteed Mortgage Loan, VA Guaranteed Mortgage Loan or HUD Section 184 Guaranteed Mortgage Loan, satisfying the requirements of Freddie Mac, Fannie Mae or a private mortgage insurance provider, as applicable. ~~Qualified mortgage loan which is not insured by FHA or guaranteed by VA.~~

(13) “Correspondent Lender” means a lender which does not meet all of the qualification requirements for designation as, or has not made an Application as a Participating Lender pursuant to the terms of the Mortgage Purchase Agreement, but wishes to originate loans under the Program under an agreement executed by a Participating Lender, wherein such Correspondent Lender is approved by the Participating Lender to originate and sell, transfer, or assign to the Participating Lender, Mortgage Loans under the Indenture.

~~(14)~~(13) “Eligible Person or Families” or “Eligible Borrower” means a person or persons or family or families:

(a) Who intend to ~~Intending principally~~ and permanently to reside as a household in the Home as their principal ~~a~~ single-family residence;

(b) Whose total annual family income does not exceed the appropriate maximum annual family income established by the Corporation under the specific Single-Family Mortgage Revenue Bond ~~particular single-family~~ program for which a qualified mortgage loan is being applied; and

(c) To the extent required by applicable federal law, if any, with respect to each person who purchases a single-family residence not located within a targeted area, each such person who is executing the mortgage is a first time home buyer.

~~(15)~~(14) “Eligible Properties” or “Home” means single-family attached or detached residential units:

(a) That are ~~those properties for single family attached or detached residences~~ financed by Qualified Mortgage Loans whose acquisition ~~prices costs~~ do not exceed the maximum acquisition ~~prices costs~~ as defined in subsection 67-25.002 (23) of this rule shall be established by the Corporation in its program documents for a particular bond issue;

(b) Which are taxed as real property under the laws of the State of Florida and is located within the State, including a condominium unit and a manufactured home meeting conventional or FHA standards, which is acceptable to any insurer providing private mortgage insurance, FHA, VA or RD;

(c) That may consist of two-, three-, four-family dwelling units and all of which units were first occupied as homes at least five (5) years before the Loan with respect to such Home which;

1. Is designed and intended primarily for residential housing;

2. Is determined by a qualified appraisal to have an expected useful life of not less than 30 years or term of the First Mortgage, whichever is less; and

3. Will be occupied by the owner as his or her principal residence within a 60 days after financing is provided. ~~Such amounts shall in no event exceed amounts allowable under applicable federal law, if any. In establishing the maximum acquisition costs the Corporation shall take into consideration applicable federal law relating to maximum~~

~~acquisition costs, market conditions, the cost and condition of available housing, private housing market conditions and the total median income and assets of persons and families within the state.~~

~~(16)~~(15) “Existing Home” means any residential dwelling which has been occupied and is not considered new construction.

~~(17)~~(16) “FHA” means the Federal Housing Administration of the U.S. Department of Housing and Urban Development or other Corporation or instrumentality created or chartered by the U.S. to which the powers of the Federal Housing Administration have been transferred.

~~(18)~~(17) “FHA Insurance” means FHA mortgage insurance on residences issued under one of the following FHA programs pursuant to the National Housing Act of 1937, as amended:

- (a) Section 203(b) – home unsubsidized;
- (b) Section 234(c) – condominiums;
- (c) Section 203(v) – veterans status.

~~(19)~~(18) “First Time Home Buyer” means eligible persons or families, except eligible persons or families acquiring a single-family residence in a targeted area, who have not had an ownership interest in a principal single-family residence at any time during the preceding 3-year period prior to ending on the date the mortgage is executed, other than a construction period loan, bridge loan or other similar temporary initial financing with a term generally not exceeding 24 months with respect to the single-family residence.

~~(20)~~(19) "Laws" means all applicable statutes, laws, ordinances, regulations, orders, rules or directives of the United States, the state of Florida or any county therein.

(21) "Lender Guide" means the guide prepared by the Servicer for the origination and delivery of Mortgage Loans to be purchased by the Servicer and the eligibility, credit and security underwriting standards applicable thereto.

(22)(20) "Low Income" means 80 percent of the median income for the county in which the single-family residence is located or of the median income of the state, whichever is greater.

(23)(21) "Maximum Acquisition Price Cost" means the maximum purchase price of a Single Family Residence, as prescribed in the IRS Revenue Procedures 94-55, hereby incorporated by reference. A copy may be obtained by contacting the Single Family Bonds Program Administrator at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1329. Acquisition Price limits are also subject to the applicable FHA/VA/RD limits for the Counties. ~~maximum acquisition cost for new one family dwellings and existing one family dwellings in the targeted and non-targeted areas in each county, as determined by the Corporation pursuant to the 1954 code and the code, as applicable.~~

(24)(22) "Maximum Annual Family Income" means, with respect to Mortgage Loans originated on new and existing Single Family Residences, the applicable limits announced by the Corporation which amounts shall be based on state and area median income figures published by the United States Department of Housing and Urban Development annually, hereby incorporated by reference, and any other requirements relating to a particular county in the State. A copy of these figures may be obtained by contacting the Single Family Program Administrator at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1329. ~~The~~ the maximum annual family income limits are established by the Corporation under a specific bond program as set forth in the Program

~~Documents. such determination being based on the market conditions, the amount of total income and assets of persons or families which are available for housing needs, family size, the cost and condition of available housing facilities, the ability of persons or families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing. However, such maximum annual family income for any program shall not exceed applicable federal law, if any, and in no event shall it exceed 150 percent of the median family income in the county in which the single family residence is located, or the median family income of the state, whichever is greater.~~

(23) through (25) renumbered. (25) through (27) no change.

(28) “Mortgage Loan” an interest-bearing obligation secured by a mortgage constituting a first lien on a Single Family Residence in the State which is in the form of a mortgage or other instrument approved by the FHA in the case of an FHA insured loan, VA in the case of a loan guaranteed by VA, RD in the case of a loan guaranteed by RD, Fannie Mae or Freddie Mac in the case of a conventional loan, or as approved by Florida Housing for other loans, which incorporates the Tax-Exempt Financing Rider in the form in the Lender Guide, if applicable (or such other rider as may be applicable), and which meets the requirements set forth in the Master Mortgage Purchase Agreement. As used herein, “Mortgage Loan” does not include loans generated under the Corporation’s second mortgage loan programs.

(29) “Mortgage Note” means the then-effective form of mortgage note required by FHA for FHA insured loans and the form required by VA for VA guaranteed loans, and the

form required by Fannie Mae or Freddie Mac for conventional loans and by RD for RD loans, as applicable, with appropriate riders, executed to evidence the mortgagor's obligation to repay the Mortgage Loan.

~~(30)(26)~~ “New Construction” means a residential dwelling unit which has not previously been occupied as a residence.

~~(31)(27)~~ “Participating Lender” means the entity signing a Master Mortgage Purchase Agreement and all applicable Supplements to the Master Mortgage Purchase Agreement, which by virtue of executing represents that it is a home mortgage lending institution or entity:

(a) participating in the local private home lending market;

(b) that is an FHA-approved mortgagee (with direct endorsement underwriting authority preferred), or a VA-approved lender (with automatic approval authority preferred), or an RD approved lender (unless waived by the Corporation or its designee);

(c) with respect to Conventional Mortgage loans, is a Fannie Mae and/or Freddie Mac approved lender in good standing, has errors and omissions coverage of at least \$300,000, meets the requirements of the Corporation or its designee with respect to financial status and is acceptable to a Fannie Mae and/or Freddie Mac PMI Insurer, if applicable;

(d) which can make the representations and warranties and covenants set forth in the Master Mortgage Purchase Agreement; and

(e) which has agreed to and will originate Mortgage Loans itself or through

Correspondent Lenders. ~~“Participant means a Qualified Lending Institution participating in the Corporation’s single-family bond program.~~

~~(32)(28)~~ "Program" or "Single-Family Bond Program" means the Corporation's ~~S~~single-family Mortgage Revenue Bond Program pursuant to which a trustee, on behalf of the Corporation, will purchase Qualified Mortgage Loans from the participating lenders or obligations secured by Qualified Mortgage Loans from Qualified Lending Institutions.

~~(33)(29)~~ "Qualified Appraiser" means an individual or firm that is qualified as an appraiser by the society of real estate appraisers or the American Institute of Real Estate Appraisers and acceptable or approved by FHA, VA, Fannie Mae, Freddie Mac~~NMA~~ or FHLMC or any private mortgage insurance provider to provide appraisal reports.

~~(34)(30)~~ "Qualified Lending Institution" means any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, insurance company, the First Housing Development Corporation of Florida, or other financial institution or governmental Corporation authorized to transact business in the state of Florida which institution customarily provides services in the financing of mortgages for real property in Florida. All Qualified Lending Institutions must be qualified FHA, VA, FNMA or FHLMC originators and servicers as required by the program documents. The Corporation shall have the right to require representatives of the Qualified Lending Institution to attend educational programs related to their participation in the bond programs in order for the Qualified Lending Institution to remain eligible to participate in Corporation programs.

~~(35)(31)~~ "Qualified Mortgage Loan" means any loan under ~~an~~the Corporation programs made to an eligible borrower and evidenced by a mortgage note which is secured by a related mortgage on the eligible property.

~~(36)~~(32) "Single-Family Residence" or "Home" means a residential unit used as a single-family residence, which is taxed as real property under the laws of the state and is located in the Sstate, including a condominium unit and a manufactured home meeting conventional or FHA FNMA standards, ~~each of~~ which is acceptable to any insurer providing private mortgage insurance, under the program or FHA, VA or RD as ~~applicable, but not a~~. The dwelling structure may consist of two-, three- or four-family dwelling units, one unit of which is to be occupied by the mortgagor of the units and all of which units were first occupied as homes at least five (5) years before the Loan with respect to such Home which residence: unless each unit in such residence is owner occupied, and land appurtenant to the residential unit which:

- (a) Is designed and intended primarily for residential housing;
- (b) Is determined by qualified appraisal as provided herein to have an expected useful life of not less than 30 years or the term of the mortgage, whichever is less;
- (c) Will be occupied by the owner as his or her principal residence within a reasonable time after financing is provided. For purposes of this subparagraph, 60 days shall be deemed a reasonable time;
- (d) Acquisition price cost does not exceed the maximum acquisition price cost; and
- (e) Appurtenant land reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the Eligible Bborrower, including child care services on a regular basis for compensation.

~~(37)~~(33) "Targeted Area" means ~~the territory or area within the state which the Corporation determines to be a qualified census tract or an area of chronic economic distress within the meaning of the code and, if applicable, the 1954 code and regulations~~

~~thereunder.~~ those areas within the State listed as Federally Designated Census Tracts, Areas of Chronic Economic Distress (if any) and areas in need of economic revitalization as determined by local government officials and adopted by Resolution, hereby incorporated by reference. A copy of the listing of such areas can be obtained by contacting the Single Family Bonds Program Administrator at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1329.

~~(38)(34)~~ “VA” means the Department of Veterans Affairs administration, an agency of the United States of America, or any successor to its functions. or other agency or instrumentality created or chartered by the U.S. to which the powers of the Veterans Administration have been transferred.

Specific Authority 420.507 (12), ~~(24)~~ FS.

Law Implemented 420.509~~3~~, 420.509(11)(c) FS.

History – New 4-15-87, Formerly 9I-25.002, Amended _____.

67-25.003 – Issuance of Revenue Bonds. No change

67-25.004 – Security for Repayment of Bonds. No change

67-25.005 – Notice of Program and Invitation and Application to Participate ~~Offer to Originate.~~

(1) The Corporation shall publish a notice in the Florida Administrative Weekly announcing its intention to provide funding for Qualified Mortgage Loans and inviting Qualified Lending Institutions to submit the Invitation and Application to Participate offers to originate to the Corporation within the time frame designated by the Corporation under a specific bond issue. at least 7 days prior to selection. The Invitation and Application to Participate submitted offer to originate by the Qualified Lending

Institution shall indicate to the Corporation the amount of Qualified Mortgage Loans the Qualified Lending Institution anticipates originating for each type of qualified mortgage loan permitted under the program, unless funding is being offered by the Corporation on a first-come, first-served basis in which case lenders will not be required to specify an allocation amount.

(2) The Corporation shall establish a minimum ~~offer~~ allocation amount for participation in a program ~~based upon the amount of the bond issue, prior to origination history and market conditions~~ or make funds available on a first-come, first-served basis based upon the amount of the bond issue, prior origination history and current market conditions. The Invitation and Application to Participate ~~offer to originate~~ shall be accompanied by a statement from the Qualified Lending Institution indicating its experience in originating the Qualified Mortgage Loans in categories and areas requested, indicating the current financial condition of the Qualified Lending Institution and ~~indicating~~ the location of the office or offices that will be originating Qualified Mortgage Loans.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.005, Amended _____.

67-25.006 – Program Documents.

(1) The following documents are required for the marketing of the bonds ~~The marketing of the bonds requires the generation and approval of certain program documents;~~
~~including but not limited to:~~

(a~~1~~) Trust indenture;

(b~~2~~) Program administration and mortgage servicing agreement; and

~~(3) Mortgage origination agreement; and~~

~~(c4) Preliminary and final official statements.~~

(2) The following documents pertain to the Qualified Lending Institutions:

(a) Invitation and Application to Participate;

(b) Master Mortgage Purchase Agreement;

(c) Supplement to the Master Mortgage Purchase Agreement; and

(d) Lender Guide

(3) The program parameters and guidelines to be used shall be determined by the Corporation shall be based on market conditions, housing needs of the public and the best interest of the public prior to the issuance of the bonds and shall be published at bond closing. The documents shall be binding on the Corporation and shall fully describe the specific bond program, its parameters and procedures.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.006, Amended _____.

67-25.007 – Allocation of Proceeds.

(1) The Corporation shall determine if funds will be made available statewide for Qualified Lending Institutions on a first-come, first-served basis or via allocations to Qualified Lending Institutions based upon the amount of the bond issue, prior origination history and current market conditions. In the event that the Corporation does not make funds available on a first-come, first-served basis, tThe Corporation shall review all ~~offers to originate~~ Invitations and Applications to Participate and shall designate those qualified lending institutions that shall receive allocations of the bond proceeds for

purchasing Qualified Mortgage Loans and the amount of allocation that each such institution will be allocated. Participating Lenders will be notified of their acceptance via the Notice of Acceptance.

(2) In determining the allocations the Corporation shall consider:

(a) The ability of the Qualified Lending Institution to originate, process and, if applicable, service program loans.

(b) The location of the Qualified Lending Institution.

(c) The financial stability, origination and servicing experience of the Qualified Lending Institution.

(d) The overall origination history of the Qualified Lending Institution.

(e) The origination history of the Qualified Lending Institution under Corporation programs.

(f) The availability of decent, safe and sanitary housing persons or families of low, moderate, or middle income in the geographic area for which the funds have been requested.

(g) The availability, cost and stability of a supply of adequate funds for housing financing in the areas and categories for which funds have been requested.

(h) The effect of the allocation on the marketability of the funds.

(i) The requirements of state and federal law regarding the use of the proceeds.

(j) The effect of the allocation on creating a stable and viable source of funding for housing financed throughout the state of Florida.

Specific Authority 420.507 (12) FS.

Law Implemented 420.507 (14), 420.508 FS.

History – New 4-15-87, Formerly 9I-25.007, Amended _____.

67-25.008 – Program Fees.

(1) No change.

(2) The Corporation shall also charge a commitment fee to the participant at the time of allocation of the proceeds. If funds are made available on a first-come, first-served basis, the Corporation shall not charge a commitment fee. This commitment fee may be recouped by the participant upon the origination and closing of loans under the program by charging a loan origination fee to the eligible borrowers.

Specific Authority 420.507 (12) FS.

Law Implemented 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.008, Amended _____.

67-25.009 – Commitment and Origination Periods.

(1) The Corporation shall determine the length of the commitment period for its bond programs based on the size of the bond issue, market conditions and the best interest of the public. For purposes of this rule, commitment period shall mean the period during which participants may make loan commitments to eligible borrowers. At the end of such commitment period, the Corporation shall forfeit any remaining allocation of a participant which has failed to make commitments up to the amount of its allocation if it determines that it is in the best interest of the program and the public interest and shall make the remaining funds accessible to all Participating Lenders statewide on a first-come, first-served basis, if applicable.

(2) The Corporation shall determine the length of the origination period for its bond programs based on federal requirements as outlined in Internal Revenue Code, Section

143, hereby incorporated by reference, the size of the bond issue, market conditions and the best interest of the public. A copy of the Internal Revenue Code, Section 143, may be obtained by contacting the Single Family Bonds Program Administrator at 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1329. For purposes of this rule, origination period shall mean the period during which participants may originate Qualified Mortgage Loans under a bond program.

Specific Authority 420.507 (12) FS.

Law Implemented 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.009, Amended _____.

67-25.010 – Builders Commitments.

(1) The Corporation recognizes the need to encourage new construction through the use of bond proceeds and accordingly may authorize or require the setting aside by Qualified Lending Institutions of portions of the funds available for mortgage origination to finance the purchase of newly constructed, not previously occupied, residences in an amount not to exceed 25% of the bond proceeds. The Corporation shall authorize or require such set-asides based upon a determination by the Corporation that the size of the issue and market conditions will allow such set-asides and that such set-asides would be in the best interest of the public. If such set-asides are allowed, the Corporation shall allow the Qualified Lending Institution to sub-commit the new construction set-aside to builders and to charge the builders a fee for such sub-commitment not in excess of the commitment fee paid to the Corporation for the same funds.

(2) In the case of set-asides for builders, participants will be given a time period established in the program documents, ~~within which~~ to issue firm commitments to

eligible borrowers. ~~FA~~ failure to issue such commitments within the time period prescribed will result in a forfeiture of the remaining portion of the set-aside. In the event of forfeiture, the funds shall be made available to all Participating Lenders statewide on a first-come, first-served basis ~~for spot loans~~ or reallocation pursuant to the program documents.

Specific Authority 420.507 (12) FS.

Law Implemented 420.507 (14), 420.507 (21), 420.508 FS.

History – New 4-15-87, Formerly 9I-25.010, Amended _____.

67-25.011 – Loan Processing.

All applicants for and all Qualified Mortgage Loans shall be processed by the Participating Lenders ~~participants~~ in accordance with the Participating Lenders' ~~participants'~~ standard underwriting criteria and additional ~~other~~ criteria which may be imposed by FHA, VA or other parties insuring and guaranteeing the bonds or the Qualified Mortgage Loans. All closed Qualified Mortgage Loans shall be presented to the trustee or to the Qualified Lending Institution issuing obligations secured by the ~~such~~ Qualified Mortgage Loans for purchase of the ~~such~~ Qualified Mortgage Loans or obligations pursuant to the program documents.

Specific Authority 420.507 (12) FS.

Law Implemented 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.011, Amended _____.

67-25.012 – Eligible Persons.

In determining the maximum annual family income of eligible persons under a single-family bond program, the Corporation shall take into consideration ~~such facts as the~~ following:

- (1) The amount of total income and assets which are available for housing needs of such persons or families;
- (2) The size of the family;
- (3) The cost and condition of available housing facilities;
- (4) The ability of such persons or families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing; ~~and~~;
- (5) If appropriate, those standards established for various federal programs determining eligibility based on income and such persons or families.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507 (14), 420.507 (21) FS.

History – New 4-15-87, Formerly 9I-25.012, Amended_____.

67-25.013 – Transfer of Single-Family Residence by Eligible Borrower.

If all or any part of the single-family residence or an interest therein is sold or transferred by an eligible borrower under the Program ~~mortgage loan program~~ to an individual who does not meet the credit underwriting and eligible borrower standards of the Program ~~mortgage loan program~~, or if the purchase price for which the single-family residence is sold or transferred exceeds that allowed in the program documents, the Corporation shall, if such transfer jeopardizes the tax-exempt status of the bonds, sell the Qualified Mortgage Loan or declare the entire unpaid principal balance of the note including

principal and unpaid accrued interest immediately due and payable if such action is in the best interest of the Corporation and the Program ~~bond program~~.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.013, Amended_____.

67-25.014 – Rental of Bond Financed Residences.

(1) No bond-financed residence shall be rented without the prior consent of the Corporation or a mortgage servicer designated by the Corporation to service the Qualified Mortgage Loan used to finance the residence, ~~said consent to be based on guidelines set forth in this section.~~

(2) No change.

(3) All requests for rental of a bond-financed residence by a borrower who has occupied the residence for less than 24 months must be submitted by the designated servicer to ~~the executive director~~ of the Corporation. ~~The executive director of the Corporation shall~~ authorize the designated servicer to consent to such request for the following reasons:

(a) The necessity of renting the residence is due to an obligatory temporary employment or military transfer and the distance required to commute as a result of such transfer would create an undue hardship on the borrower, and after which the borrower will return to occupy the home; or

(b) The necessity of renting the residence is due to a non-obligatory transfer to take advantage of better employment opportunities and the distance required to commute as a result of such transfer would create an undue hardship on the borrower and good faith efforts to sell the residence on the open market for a sales price which does not exceed

the appraised fair market value of the residence, for a minimum period of 3 months have been unsuccessful; or

(c) The necessity of renting the residence is due to difficulty encountered in good faith efforts to sell the residence. For purposes of this subsection, difficulty encountered in good faith efforts to sell the residence shall be deemed to be the inability to sell the residence on the open market for a sales price which does not exceed the appraised fair market value of the residence, for a minimum period of 6 months; or

(d) The necessity of renting the residence is due to a demonstrated extreme economic hardship on the borrower.

(4) Requests for rental of bond-financed residences which have never been occupied by the borrower shall not be granted except in the case of extreme economic hardship. Such request shall be considered by the Corporation ~~at its regularly scheduled Corporation meetings.~~

(5) No change.

(6) No change.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.014, Amended _____.

67-25.015 – Interest Rate on Program Loans and Financing Programs

(1) The Corporation shall establish the interest rate to be charged eligible borrowers for Qualified Mortgage Loans at the time of sale of the bonds based on market conditions and the best interest of the Corporation and the public. The interest rate established shall be no more than the interest rate on the bonds issued by the Corporation plus such

arbitrage as is legally allowed without jeopardizing the Tax-Exempt status of the bonds.
~~However, the interest rate shall not exceed that which is legally allowed.~~ The difference between the interest rate on the bonds and the interest rate on the Qualified Mortgage Loans shall either be retained by the Corporation or shall be utilized by the Corporation for any legal purpose pursuant to the Act ~~aet~~.

(2) Flexible mortgage financing including ~~but not limited to~~ the use of graduated mortgage rates, variable rate mortgages and mortgage buy-downs is authorized so long as the use of such types of financing does not jeopardize the tax-exempt status of the bonds, does not violate any applicable laws, does not jeopardize the Tax-Exempt status of the bonds, does not violate any applicable laws or does not result in an average interest cost that substantially deviates from the fixed interest rate established by the Corporation at the time of the sale of the bonds and is determined to serve an appropriate public purpose in light of market conditions at the time of sale of the bonds. The parameters of such financing shall be specifically set out in the program documents and by Corporation Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508, 420.509 FS.

History – New 4-15-87, Formerly, 9I-25.015.

67-25.0155 – Private Mortgage Insurance.

For conventional loans under a whole loan program, all program loans must be insured under a primary policy of private mortgage insurance issued by a private mortgage insurer whose ability to pay claims is rated by a nationally recognized rating service or agency with a rating equivalent to or better than the rating required by Resolution of the Board of Directors of the Corporation or by Program Documents, whichever is higher,

and which will write a policy or private mortgage insurance on a form prescribed by the Corporation and approved by the Insurance Commissioner and at rates to be negotiated. Once the loan-to-value ratio reaches 78% of the original loan amount, the private mortgage insurance premium will be dropped in accordance with the Homeowner's Protection Act of 1998.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508 FS.

History – New _____.

67-25.016 – Waiver of Repayment Terms under Mortgage. No change.

67-25.017 – Rating of Bonds.

The Corporation shall determine what rating, if any, is required on the bonds. In making that determination, the Corporation will take into consideration the current marketing conditions and the best interest of the public.

Specific Authority 420.507 (12) FS.

Law Implemented 420.502, 420.507, 420.508 FS.

History – New 4-15-87, Formerly 9I-25.017, Amended _____.