



NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 813

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

FILED: 09/30/2026 1:30 PM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Updating the rules for the Multifamily Rental Financing: Permanent Loan Program

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/02/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT:

Glenn Muna
503-986-6796
glenn.muna@hcs.oregon.gov
725 Summer St. NE, Suite B
Salem, OR 97301

Filed By:

Glenn Muna
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/21/2026

TIME: 11:00 AM

OFFICER: Kelso Brasunas

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-986-6796

NEED FOR THE RULE(S):

In the 2025 legislative session, SB 684 passed, directing OHCS, by January 1, 2027, to develop and implement strategies that are within the Department's statutory authority to make permanent loans for affordable and mixed-income residential housing. OHCS used to offer these fixed-rate first-lien permanent loans, but mostly stopped around 2008, and there is a need to update the historical set of rules for both permanent loan options: Elderly & Disabled and HUD Risk-Share.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

Adopting rules for the Permanent Loan Program (PLP) is expected to support racial equity by creating a program that finances affordable rental housing. The Oregon Housing and Community Services (OHCS) 2024 State of the State's Housing Report identifies Black, Indigenous, and other BIPOC communities, along with low-income households, as populations that have long faced disproportionate housing challenges due to systemic barriers and a shortage of affordable housing. By increasing the supply of affordable housing and addressing gaps in the market for permanent debt, the program has the potential to expand housing opportunities for historically underserved communities.

The rulemaking does not appear to overlook or exacerbate existing housing disparities. Instead, it sets loan terms and requirements for a program designed to boost housing production across Oregon. Potential unintended consequences could arise if funded developments are not placed in areas with demonstrated need or if outreach, language access or application procedures unintentionally create barriers to participation. OHCS is committed to iterating this program and listening to feedback, improving and adjusting as needed.

FISCAL AND ECONOMIC IMPACT:

The primary entities affected are affordable housing developers, including nonprofit and for-profit developers, housing authorities, Tribal governments and Tribally Designated Housing Entities, and other eligible applicants that seek Permanent Loan Program funding. Participating applicants will incur costs associated with preparing applications, including appraisals, market studies and business credit reports. Additional costs will be incurred for the bond sale, including costs for legal, financial advisors, Oregon Department of Justice, bond counsel, Oregon Treasury and rating agencies. There are increased compliance requirements and monitoring fees, as is expected for a first-lien permanent loan with needs including monthly principal and interest payments, replacement reserve requests and frequent on-site inspections. These activities are consistent with private lender permanent loan costs and comparable to loan programs at other State Housing Finance Agencies.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The proposed rules primarily affect affordable housing developers that apply for Permanent Loan Program funding. State agencies, local governments, housing authorities, Tribal governments, Tribally Designated Housing Entities, nonprofit organizations, and private affordable housing developers may be economically affected if developers choose to participate in the program with projects that exist in various geographies.

The rules are not expected to impose significant compliance costs on small businesses because participation in the program is voluntary. Small businesses that choose to apply may incur administrative costs associated with preparing applications, maintaining records, documenting compliance and program requirements, and preparing and submitting reports.

Because costs will vary substantially by project size, bond sale size and structure, location, and design, OHCS cannot reasonably estimate a single cost of compliance applicable to all applicants.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

OHCS reached out to several smaller Oregon credit unions and CDFIs for engagement. OHCS met with a few CDFIs, including a Tribal CDFI. Other small business impacts are reported within the other filing impact statements.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

OHCS held multiple engagement meetings with partners to solicit feedback on the Multifamily Rental Financing: Permanent Loan Program. The department also attempted to host a RAC meeting twice but was unable to successfully recruit members that represent the communities that may be impacted.

HOUSING IMPACT STATEMENT:

These rules do not affect the cost of developing a 6,000-square-foot parcel and constructing a 1,200-square-foot detached single-family dwelling on that parcel. Permanent Lending applies only to the voluntary administration of state first-lien loans for affordable and mixed-income rental housing. The rules establish loan terms and requirements for applicants seeking funding for permanent loans for rental housing and do not impose new regulatory requirements on single-family residential development.

RULES PROPOSED:

813-012-0010, 813-012-0020, 813-012-0030, 813-012-0040, 813-012-0050, 813-012-0060, 813-012-0065, 813-012-0070, 813-012-0080, 813-012-0090, 813-012-0100, 813-012-0110, 813-012-0115, 813-012-0120, 813-012-0130, 813-012-0140, 813-012-0150, 813-012-0160, 813-012-0170, 813-012-0180, 813-030-0005, 813-030-0010, 813-030-0014, 813-030-0020, 813-030-0025, 813-030-0030, 813-030-0031, 813-030-0032, 813-030-0034, 813-030-0035, 813-030-0040, 813-030-0044, 813-030-0046, 813-030-0047, 813-030-0050, 813-030-0060, 813-030-0062, 813-030-0066, 813-030-0067, 813-030-0068, 813-030-0070

AMEND: 813-012-0010

RULE SUMMARY: Amending rules to update the Multi-Family Rental Financing Program.

CHANGES TO RULE:

813-012-0010

Purpose and Objectives II

The rules of OAR chapter 813, division 12, ~~is~~are promulgated to carry out the provisions of ORS 456.515 through 456.720, ~~and specifically 456.550 through 456.720~~, as they pertain to the administration by the Housing and Community Services Department (Department) of the Multifamily Rental Housing Financing: Permanent Loan program (the "program"). These rules and the related determinations and orders of the Department constitute the Department's Rental Housing Program. The purpose of the program is to provide funds to finance the construction, rehabilitation, and/or acquisition of multi-unit rental housing ~~for persons of lower income~~ in the State of Oregon, while providing sufficient safeguards to protect the financial interests of the state.

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183.335, 456.515 - 456.723, 458.210 - 458.650, 24 CFR 266

Statutes/Other Implemented: ORS 456.625

AMEND: 813-012-0020

RULE SUMMARY: Amending to make grammatical corrections.

CHANGES TO RULE:

813-012-0020

Definitions ¶

(1) All capitalized terms are used in OAR chapter 813, division 012, as not defined in the Act, and as provide below have the same meaning as defined in the Act and in OAR 813-005-0005 and herein. ¶

(2) As used in OAR chapter 813, division 012, unless the context indicates otherwise: ¶

(a) "Code" means the Internal Revenue Code of 1986, as amended. ¶

(b) "Firm commitment" means a document outlining the terms and conditions of a program loan that has received Housing Stability Council approval, and will be funded subject to the successful completion of the conditions therein. ¶

(c) "Gross household income" means the anticipated total income from all sources received by the head of household and by each additional member of the household 18 years of age and over, including all net income derived from assets for the twelve-month period following the date of certification of income, in accordance with regulations promulgated by the U.S. Department of Housing and Urban Development (HUD) at 24 CFR 813, or successor regulation. ¶

(d) "HUD" means U.S. Department of Housing and Urban Development. ¶

(~~e~~) "~~Rental Housing Project~~" or "~~Project~~" means a structure or facility described in OAR 813-012-0030. ¶

~~[Publications: Publications referenced are available from the agency.]~~ "Multifamily Housing" means a structure or facility (i) established primarily to provide housing, and (ii) that includes 5 or more rental housing units that will be subject to Program affordability restrictions. Multifamily housing may also provide facilities that are functionally related and subordinate to the living units for use by the occupants in social, health, educational or recreational activities. ¶

(f) "Program beneficiary" means a Borrower or any entity receiving a program contribution. ¶

(g) "Program contribution" means program funding provided to a project in a form other than a program loan, including a subordinate loan, modification of an existing Program Loan, or other contribution of funds to a project. ¶

(h) "Program loan" means a loan to a borrower made in compliance with applicable program rules, statutes, Oregon Housing & Community Services (OHCS) orders and federal tax requirements, as applicable. ¶

(i) "Rental housing project" or "Project" means Multifamily Housing that applies for or receives Program funding from the Department through its Oregon Centralized Application (ORCA) process that includes the following characteristics:

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

AMEND: 813-012-0030

RULE SUMMARY: Amending rules to update eligible rental housing projects.

CHANGES TO RULE:

813-012-0030

Eligible Rental Housing Projects ¶

In order to qualify for a Program Loan, a Project shall:¶

~~(1) Be constructed and operated by the Borrower in accordance with the restrictions set forth in these rules, the Commitment and the Department's Rental Housing Program Loan Documents. The Program documents will require the Borrower to operate the Project so that all residents are persons of lower income pursuant to ORS 456.615, and so that the Project qualifies for tax-exempt financing under Section 103 of the Code;¶~~

~~(2) Be a structure or facility which provides five or more living units for lower income Persons or households, and may provide spaces for common use by the occupants in social, recreational and daycare activities;¶~~

~~(a) Projects may include, but are not limited to: disabled, elderly, congregate, and manufactured dwelling parks in which the manufactured dwellings are rental units;¶~~

~~(b) Projects do not include: (1) The Multifamily Rental Financing: Permanent Loan program manual dated July 13, 2026, is incorporated into this Division 12 by reference. References to this OAR chapter 813, division 012 shall include the Multifamily Rental Financing: Permanent Loan Program Manual.¶~~

~~(A2) Group care homes, nursing homes or hospitals;¶~~

~~(B) Structure primarily for recreational or social activities; and¶~~

~~(C) Single-family detached dwellings except as provided for in tax law.¶~~

~~(3) Be approved by the Department with respect to site; location; market demand; financial feasibility; qualifications of general contractor, management agent and developer; appraisal; financial strength and credit worthiness of the Eligible Borrower; management and resident support service plans; final architectural package; Eligible Borrower's organizational documents; title report; and any other information the Department shall prescribe;¶~~

~~(4) Comply with~~ Through its Multifamily Rental Financing: Permanent Loan program manual, the Department shall establish a method by which the Department will evaluate each project to ensure program and departmental standards are met.¶

~~(3) Project sponsors must agree to meet all applicable state and local land use and zoning requirements, housing codes, and similar Department and Program underwriting, architectural, and regulatory requirements;¶~~

~~(54) Qualify for and receive insurance under HUD/FHA programs such as Risk Sharing, 221(d)(4) or 221(d)(3), or obtain other insurance or guarantees which are acceptable to the Department;¶~~

~~(6) Be located in the State of Oregon; and¶~~

~~(7) Qualify for tax-exempt financing under Section 103 of the Code.¶~~

~~[Publications: Publications reference] The Project must comply with all applicable federal, state, and local laws and are available from the agency.] requirements.~~

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

RULE ATTACHMENTS MAY NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.

NOTE: Attachments referenced are attached to this document. You may view the attachment 813-012-0030.pdf from the Attachments panel. Alternately, you may view the attachments at the following link:

<https://secure.sos.state.or.us/oard/viewAttachment.action?ruleVrsnRsn=340019>

AMEND: 813-012-0040

RULE SUMMARY: Amending rules to update the resident eligibility and occupancy requirements.

CHANGES TO RULE:

813-012-0040

Resident Eligibility and Occupancy ¶

~~(1) To be eligible to occupy a Project, a Person or household shall:¶~~

~~(a) Be a resident of the state;¶~~

~~(b) Have an annualized gross household income which does not exceed the limit established by the Department from time to time in compliance with the Act, and the limits of Section 142(d)(1) of the Code, if applicable.¶~~

~~(c) The project shall conform to the maximum income requirement of ORS 456.620(4). A maximum of one-third of the units in a housing project, housing development or other residential housing financed by the Department may be rented to households with an income level exceeding 120 percent of the median family income level, as determined by the Department.¶~~

~~(A) Relating specifically to acquisition/rehabilitation projects only, where tenants already reside in the project, the Department, at its sole discretion, may allow up to a one (1) year grace period for implementation of the standards identified in subsection (c) above in order to reduce the impact of displacement for over-income residents.¶~~

~~(2) No preference shall be given to any particular class or group in renting the residential units in the Project, except to the extent that residential units are required to be leased or rented to lower-income persons or households as outlined in this rule and as required to preserve the tax-exemption on Bonds issued to finance the Project. Rental of units shall not violate the Fair Housing provisions of the 1968 Civil Rights Act.¶~~

~~(3) Lower-income Persons or households residing in the Project shall have equal access and enjoyment to all common facilities of the Project.¶~~

~~(4) The Borrower shall accept as residents in compliance with Section 8 programs, lower-income Persons or households who are holders of certificates for federal housing assistance payments pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program, on the same basis as all other prospective residents. The Borrower shall not apply resident selection criteria to such Section 8 certificate holders which are more burdensome than the criteria applied to any other prospective resident.¶~~

~~(5) The Borrower shall conduct annual income certifications of residents to assure compliance with the income requirements of the Program.¶~~

~~[Publications: Publications referenced are available from the agency.]~~Through its Multifamily Rental Financing: Permanent Loan program manual, dated July 13, 2026, the Department shall establish standards by which eligibility for project residents will be determined.

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.620, 456.645, 456.675

AMEND: 813-012-0050

RULE SUMMARY: Amending rules to update restrictions associated with tax-exempt financing.

CHANGES TO RULE:

813-012-0050

Restrictions Associated with Tax-Exempt Financing II

All ~~P~~Projects funded by the proceeds of tax-exempt bonds will be required to comply with the applicable restrictions of Section 103 and Sections 141 to 149 of the ~~C~~code. The Department expects to provide financing for ~~P~~projects under the ~~Rental Housing~~ Multifamily rental financing ~~P~~program by issuing ~~B~~bonds, the interest on which ~~is~~ may be excludable from gross income under the ~~C~~code. The exclusion is available under Section 103 of the Code, and is detailed in Sections 141 through 149 of the ~~C~~code. These ~~C~~code provisions impose substantial restrictions on the ~~P~~projects which receive ~~ing~~ financing, the amount of financing, and the residents who occupy the ~~P~~projects. The restrictions may vary depending on the type of entity which ~~that~~ owns and operates the ~~P~~project; ~~p~~. Projects owned or operated by private, for-profit entities are subject to the greatest restrictions, as detailed in Section 142(d) of the ~~C~~code and the applicable regulations. ~~¶~~

~~[Publications: Publications referenced are available from the agency.]~~

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

AMEND: 813-012-0060

RULE SUMMARY: Amending rules to update borrower reporting and compliance monitoring.

CHANGES TO RULE:

813-012-0060

Borrower Reporting and ~~Record Keeping~~ Compliance Monitoring ¶

(1) ~~The Borrower shall determine at least Risk Share Program Compliance Manually whether a resident of a unit is a lower income Person or household on the basis of the current income of the resident in a manner satisfactory to the Department.¶~~

(2) ~~The Borrower shall make periodic reports to the Department regarding the occupants of the Project in the manner and with the frequency required by the Department published in 2014, is incorporated into this division 012 by reference. References to this OAR chapter 813, division 012 shall include the Risk Share Program Compliance Manual.¶~~

(3) ~~The Borrower shall permit at any time during the original term of through its risk share Pprogram Loan, any duly authorized representative of the Department to inspect the books and records of the Borrower pertaining to the incomes of Persons or households residing in the Project.~~ compliance manual, the Department will establish standards and procedures for satisfying ongoing compliance requirements.

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183,335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ~~ORS 456.625~~ 456.515 - 456.723

ADOPT: 813-012-0065

RULE SUMMARY: Adopting rules on loan security.

CHANGES TO RULE:

813-012-0065

Loan Security

The Department shall not disburse funds for a program loan until:

(1) The loan is secured by a fully executed promissory note and fully secured first lien trust deed in such form as required by the Department, provided that a shared first lien with a trust deed securing a loan from the Department under programs funded under Article XI-Q of the Oregon Constitution and ORS 458.480 through 458.490, in such form as the Department may determine, will also be acceptable.

(2) The borrower has satisfied all conditions required by OHCS.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.866, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 90.800 - 90.840, 91.866, 456.515 - 456.723, 458.210 - 458.650, 456.515 - 456.720

AMEND: 813-012-0070

RULE SUMMARY: Amending rules to update insurance and guarantees.

CHANGES TO RULE:

813-012-0070

Insurance and Guarantees **II**

The ~~B~~borrower shall be responsible for obtaining ~~HUD/FHA~~any required HUD/FHA mortgage insurance or other ~~payment~~ guarantees satisfactory to the Department.

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

REPEAL: 813-012-0080

RULE SUMMARY: Repealing 813-015-0080.

CHANGES TO RULE:

~~813-012-0080~~

~~Criteria for Selecting Projects~~

~~The Department may select Project applications which, in the judgment of the Department best achieve the purposes of the Program and the Act. Preference will be given to Projects which:¶~~

~~(1) Have the lowest rents possible in comparison with local market rents (as determined by the Department) in the community where the Project is to be located;¶~~

~~(2) Have the greatest level of support services appropriate to the needs of the expected resident population (e.g. child care, job training); and¶~~

~~(3) Because of their characteristics, would have the most difficulty obtaining other financing.~~

~~Statutory/Other Authority: ORS 90.800—90.840, 90.630, 183, 456.515—456.723, 458.210—458.650~~

~~Statutes/Other Implemented: ORS 456.625~~

AMEND: 813-012-0090

RULE SUMMARY: Amending rules to update processing procedures.

CHANGES TO RULE:

813-012-0090

Processing Procedures ¶

- (1) The Department shall provide a list of Program Loan application contents, and shall provide the prospective Borrower a reasonable opportunity to discuss the application and the Department's criteria for financing.¶
- (2) After receiving a completed Program Loan application package from the prospective Borrower, the Department shall evaluate each Project for consistency with the Department's underwriting and policy standards.¶
- (3) Program Loans under \$100,000 may be approved by the Department. Any Program Loan for an amount over \$100,000 must be approved by the Housing Stability Council.¶
- (a) The Department shall review each outline the process for accepting and processing applications for a Program Loan over \$100,000 and prepare a recommendation to the Council for approval or disapproval. The Department will send a copy of its recommendation to the prospective Borrower with a notice of the Council meeting at which the application will be considered. Upon receipt of the notice, the prospective Borrower may request an opportunity to present testimony at the meeting.¶
- (b) After considering the Department's proposal, as well as any other testimony presented, the Council shall approve or disapprove the application or take other appropriate action.¶
- (c) The prospective Borrower shall promptly be advised in writing of the Council's decision.¶
- (4) If an application is approved, the Department shall issue a Commitment. The Commitment shall be conditioned upon the subsequent sale and delivery of Bonds at a rate acceptable to the Department, and shall state:¶
- (a) The amount of the Program Loan;¶
- (b) The rate of interest to be charged on such Program Loan expressed as a function of the Bond interest rate;¶
- (c) The term of the Program Loan;¶
- (d) The amounts of any Commitment fees, reserves and escrow accounts, payments of issuance costs and other amounts which are required by the Department;¶
- (e) The dates when the Eligible Borrower is required to pay the Commitment fees, charges, reserves and escrow accounts, payments of issuance costs and other amounts which are required by the Department;¶
- (f) All other conditions and requirements of the Commitment.¶
- (5) If the Eligible Borrower does not complete the requirements by the dates specified in the Commitment, the Commitment shall expire, unless the Department grants an extension in writing. The Department may require payment of an additional charge upon approval of an extension of the dates upon which Commitment conditions shall be met.¶
- (6) If the Department fails to sell Bonds at an interest rate which would allow the Department to pay Bond debt service and Program costs, and make Program Loans at or below the maximum rate stated in the Commitment, the Commitment shall terminate loans in the Multifamily Rental Financing: Permanent Loan program manual, dated July 13, 2026.

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

REPEAL: 813-012-0100

RULE SUMMARY: Repealing 813-012-0100.

CHANGES TO RULE:

~~813-012-0100~~

~~Fees, Charges and Loan Interest Rate~~

~~(1) The Department may charge a nonrefundable commitment fee up to two percent of the committed Program Loan amount. The Eligible Borrower shall include the fee, if any, with the Eligible Borrower's signed acceptance of the Commitment when it is returned to the Department.¶¶~~

~~(2) The Department may require from the Borrower additional charges to cover the costs and reduce the financial risk to the Department of issuing Bonds.¶¶~~

~~(3) The Department shall establish loan rates which are at least sufficient to permit the Department to pay debt service on its Bonds, and costs of issuing the Bonds and administering the Rental Housing Program.~~

~~Statutory/Other Authority: ORS 90.800—90.840, 90.630, 183, 456.515—456.723, 458.210—458.650~~

~~Statutes/Other Implemented: ORS 456.625~~

AMEND: 813-012-0110

RULE SUMMARY: Amending rules to update program loans.

CHANGES TO RULE:

813-012-0110

Program Loans ¶

(1) To be eligible to receive a ~~P~~program ~~L~~loan for financing, an ~~E~~eligible ~~B~~borrower shall comply with the terms contained in the ~~E~~firm commitment issued by the Department and those conditions of eligibility set forth in these ~~P~~Program rules.¶

(2) ~~Loan Documents shall be on forms approved by the Department.¶~~

(3) ~~Notwithstanding any other provision contained in the Program rules, t~~Program Loans shall be documented using forms approved by the Department.¶

(3) ~~The Department shall not disburse funds for a P~~program ~~L~~loan until:¶

(a) ~~Construction or rehabilitation of the P~~project, as applicable, has been completed to the satisfaction of the Department;¶

(b) ~~The Eligible B~~borrower executes a loan agreement, trust deed note and first lien trust deed or other evidence of security documents and other program documentation in form and substance satisfactory to the Department;¶

(c) ~~The Eligible Borrower has satisfied all conditions contain~~A regulatory agreement specifying affordability covenants and other restrictions, in such form as required inby the ~~Commitment; and~~¶

(d) ~~If the Project is subject to requirements which may continue after payment of the Department's loan, a regulatory agreement is recorded which details those requirements.~~Department, has been executed by the eligible borrower and recorded.¶

(4) The borrower shall establish one or more escrow accounts at a financial institution designated by or acceptable to the Department for the collection and disbursement of Project funds. ¶

(4a) ~~Each Program Loan shall provide for the monthly collection of Escrow Payments for taxes, if applicable, and insurance plus any other required accounts to the extent permitted by law together with the~~The borrower shall deposit into the escrow account on a monthly basis such amounts necessary to ensure the account will contain sufficient funds to pay real estate taxes, insurance premiums, monthly installments of principal and interest. All such payments shall be held for the benefit ofon the program loan or program contribution, and other related costs as they come due. ¶

(b) ~~If required by the Department in an account in a financial institution acceptable to the Department and subject to the rules which apply to the deposit of public funds of the State of Oregon, pursuant to ORS Chapter 295, an escrow account shall be established for the collection and disbursement of reserve account funds.¶~~

(c) Escrow accounts shall be held, managed and secured in accordance with the Department's requirements and applicable state.

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183,335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

ADOPT: 813-012-0115

RULE SUMMARY: Adopting program rules for Multi-Family Rental Housing's project requirements.

CHANGES TO RULE:

813-012-0115

Project Requirements

(1) All developments must meet the following requirements: ¶

(a) Units financed by the Department using the proceeds of tax-exempt bonds must satisfy applicable IRS tax-exempt bond requirements, including either reserving at least 40 percent of units for households at or below 60 percent of area median income (AMI) or reserving at least 20 percent of units for households at or below 50 percent of AMI. ¶

(b) For projects involving the acquisition or rehabilitation of existing multifamily housing in which tenants are residing at the time of program loan closing, the Department, at its sole discretion, may allow up to a one (1) year grace period for implementation of the resident eligibility standards identified in the Multifamily Rental Financing: Permanent Loan program manual in order to reduce the impact of displacement for over-income residents. ¶

(2) For projects being financed with proceeds from bonds (as defined in 813-005-0005(6)) issued on a federally tax-exempt basis, tenants must have an annualized gross household income not exceeding the income limit required to ensure compliance with Section 142(d)(1) and Section 145 of the code, as applicable: ¶

(3) The borrower shall conduct annual income certifications of all residents to ensure compliance with this section and, as applicable, with Section 142(d) and Section 145 of the code, and shall, where necessary, hold units vacant and available for occupancy by persons meeting the income requirements elected pursuant to Section 142(d) and Section 145 of the code, as applicable.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.740

Statutes/Other Implemented: ORS 90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.740, ORS 456.620, 456.645, 456.675

REPEAL: 813-012-0120

RULE SUMMARY: Repealing 813-012-0120.

CHANGES TO RULE:

~~813-012-0120~~

~~Construction and Completion~~

~~(1) During the construction of the Project, the Department may conduct random inspections for Borrower's compliance with the plans and specifications previously approved by the Department. The Borrower's supervising architect shall submit regular inspection reports to the Department. Change orders must be signed by the contractor, supervising architect, the Borrower and HUD, if applicable, before being submitted to the Department for its approval.¶¶~~

~~(2) Upon completion of construction of a Project, the Department and other contractual or regulatory entities, as applicable, may perform an inspection to assure the Borrower's compliance with the approved plans and specifications. If some items of construction remain to be completed due to circumstances beyond the control of the Borrower (provided the incomplete items do not detract from livability or safety of the Project), the Department may require the Borrower to place in an escrow account, approved by the Department and under Department control, an amount equal to one and one-half times the estimated cost of completion, until the construction item is completed.¶¶~~

~~(3) Upon substantial completion of acquisition, construction and equipping of the Project, the Borrower shall submit to the Department a certificate containing the following:¶¶~~

~~(a) The Borrower's statement that the Project has been substantially completed and is ready and available for occupancy as of a specified date (which shall be the completion date);¶¶~~

~~(b) The Borrower's statement of the aggregate amount, if any, advanced against the Program Loan prior to and upon the completion date; and¶¶~~

~~(c) The Borrower's certification that as of the completion date, there has been full compliance with the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants.¶¶~~

~~(4) An architect with an ownership interest in the Project shall not act as a supervising architect.~~

~~Statutory/Other Authority: ORS 90.800 – 90.840, 90.630, 183, 456.515 – 456.723, 458.210 – 458.650~~

~~Statutes/Other Implemented: ORS 456.625~~

AMEND: 813-012-0130

RULE SUMMARY: Amending rules to update loan servicing.

CHANGES TO RULE:

813-012-0130

Loan Servicing ¶

~~(1) The servicing of loans shall be performed by servicer(s) selected by the Department. Servicing, unless performed by the Department, shall be conducted under the terms and conditions contained in a servicing agreement entered into between the Department and the Approved Servicer. The Department shall prescribe the form of the servicing agreement. The Approved Servicer shall:¶~~

~~(a) Promptly collect all payments due under the Loan Agreement and Regulatory Agreement and Declaration of Restrictive Covenants;¶~~

~~(b) Provide the Department with a monthly accounting of Program Loan payments and disbursements;¶~~

~~(c) Ensure that escrow account balances are maintained at a level sufficient for the payment of the Project's property taxes, insurance premiums and costs of replacement. The Department may service program loans and program contributions internally or utilize as they become due and payable;¶~~

~~(d) Forward payments to the Department according to the provisions of the servicing agreement;¶~~

~~(e) Forward payments for insurance premiums to the insurance company when due;¶~~

~~(f) Forward payment third party to provide loan servicing for any or all program loans for property taxes to the gram county assessor when due;¶~~

~~(g) Assure that all improvements on the mortgaged premises are kept insured against fire and extended coverage, casualty, liability and business income loss in accordance with the Loan Agreement and Regulatory Agreement and Declaration of Restrictive Convents;¶~~

~~(h) Provide the Borrower with regular analyses of servicing accounts; and¶~~

~~(i) Perform such other responsibilities as the Department may prescribe.¶~~

~~(2) In order to qualify as an Approved Servicer and continue as such, an entity shall demonstrate to the satisfaction of the Department that:¶~~

~~(a) One of its principal functions is the servicing of multi-unit or commercial loans secured by real estate;¶~~

~~(b) Such servicing is a customary and regular business activity of the applicant;¶~~

~~(c) It can demonstrate qualifications to engage in the servicing of mortgage loans for specified government agencies or private institutions engaged in the secondary market for mortgage investments and have errors and omissions insurance acceptable to the Department;¶~~

~~(d) It deposits funds to accounts in depositories which comply with the requirements of ORS 295.005, 295.015-295.018 and 295.025 and which are insured to the full extent legally possible by the Federal Deposit Insurance Corporation, or other federal insuring department; and¶~~

~~(e) It shall maintain servicing facilities adequately staffed with personnel familiar with all regulations and requirements pertaining to or affecting Program Loans serviced for the Department. When utilizing a third-party servicer, the Department will specify the loan servicing process through a servicing agreement.~~

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183,335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

REPEAL: 813-012-0140

RULE SUMMARY: Repealing OAR 813-012-0140.

CHANGES TO RULE:

~~813-012-0140~~

~~Change of Approved Servicers~~

~~(1) The servicing agreement may be terminated or amended as provided in the servicing agreement or these rules.~~

~~(2) The Department may direct a change of Approved Servicers at any time consistent with the terms of the servicing agreement and these rules.~~

~~Statutory/Other Authority: ORS 90.800 90.840, 90.630, 183, 456.515 456.723, 458.210 458.650~~

~~Statutes/Other Implemented: ORS 456.625~~

REPEAL: 813-012-0150

RULE SUMMARY: Repealing OAR 813-012-0150.

CHANGES TO RULE:

~~813-012-0150~~

~~Transfer of Ownership~~

~~(1) A Borrower or Eligible Borrower who has received a Program Loan or Commitment from the Department shall not transfer ownership, lease or otherwise encumber any property which serves or will serve as security for a Program Loan without prior written approval from the Department. Approval will not be unreasonably withheld.~~

~~(2) A transfer of ownership means a sale, conveyance or other transfer of:~~

~~(a) Any interest of a general partner;~~

~~(b) Any interest in a joint venture;~~

~~(c) More than 25 percent of the limited partner's interest;~~

~~(d) More than 10 percent of a corporate owner's interest; or~~

~~(e) Any individual interest when the ownership is not a limited partnership, general partnership, joint venture or corporation.~~

~~(3) The Department may require a transfer application charge from owners of Projects that receive loans through the Department, who request the Department's approval of a change in Project ownership. The Department may require a transfer review charge to Project owners and transferees who effect a change in project ownership without prior written approval from the Department.~~

~~(4) A 100 percent transfer of ownership means a sale, conveyance or other transfer of:~~

~~(a) All interest of a general partnership;~~

~~(b) All interest of a joint venture;~~

~~(c) All interest of a corporation;~~

~~(d) All general partners' interest in a limited partnership; or~~

~~(e) All individual interest of an ownership entity when the ownership entity is not a limited partnership, general partnership, joint venture or corporation.~~

~~Statutory/Other Authority: ORS 90.800 – 90.840, 90.630, 183, 456.515 – 456.723, 458.210 – 458.650~~

~~Statutes/Other Implemented: ORS 456.625~~

RULE SUMMARY: Repealing OAR 813-012-0160.

CHANGES TO RULE:

~~813-012-0160~~

~~Loan Prepayments~~

~~(1) It is the general policy of the Department not to accept prepayments. The Department may, however, permit a prepayment if, in its sole discretion, the Department determines that the prepayment is consistent with the best interests of the Department, including its public purpose as defined in ORS 456.550.~~

~~(a) The Borrower must submit to the Department a written request for prepayment at least 90 days prior to the Borrower's estimated prepayment date;~~

~~(b) The Department may charge the Borrower a prepayment review charge to cover the Department's cost of review and processing the prepayment request.~~

~~(2) The Department must give prior written approval of any loan prepayment. In order to be valid, a written approval of prepayment must be signed by an authorized representative of the Department. In making a decision whether or not to allow prepayment of a loan, the Department may consider criteria that include, but are not limited to, the following:~~

~~(a) The financial impact of the prepayment on the Department's programs or on an individual program or Bond indenture;~~

~~(b) Economic factors, including, but not limited to, portfolio diversification and relative cost of capital;~~

~~(c) The cash flow and other relevant financial considerations of the Project loan for which prepayment is requested;~~

~~(d) The ability of the Department to use proceeds of the loan prepayment to increase the availability of affordable housing stock to low-income Oregonians;~~

~~(e) The willingness of the Borrower to execute a written agreement or give other assurances that the Project will continue to be used for the purpose(s) originally intended, as specified in the Loan Documents, or for an alternate use consistent with the best interests of the Department, including its public purpose as defined in ORS 456.550. Such continued use will be for a period of time mutually agreed on by the Department and the Borrower;~~

~~(f) Tax law consequences; and~~

~~(g) Other factors the Department considers appropriate to insure the security for and the ability of the State to repay the Bonds, and to insure the ongoing financial viability and stability of the Department's programs.~~

~~(3) If the Department determines that a loan prepayment is consistent with the best interests of the Department, it only shall authorize the prepayment provided that the sum to be prepaid, computed as of the date of prepayment, shall equal the unpaid principal balance of the loan plus accrued interest and all other obligations plus, at the Department's discretion, a penalty or premium for the privilege of prepayment. Such prepayment penalty shall be determined based on terms of the original Loan Documents, and amendments thereto which have been mutually agreed on by the Department and the Borrower. The Department may waive all or a portion of such prepayment penalty if it determines in its sole discretion that such waiver is in the best interests of the Department. In making a decision whether or not to waive any or all of a prepayment penalty, the Department may consider, but is not limited to, the criteria identified in OAR 813-12-160(2)(a) through (g).~~

~~(4) Where Section 8 Housing Assistance contracts or other rent subsidies are in place, the Department may approve a loan prepayment request only if such rent subsidies are not unduly impaired, determined at the sole discretion of the Department.~~

~~(5) Failure to make timely submission of a prepayment penalty will cause additional interest to accrue at loan rate or statutory rate, whichever is higher.~~

~~Statutory/Other Authority: ORS 90.800-90.840, 90.630, 183, 456.515-456.723, 458.210-458.650~~

~~Statutes/Other Implemented: ORS 456.555, 456.625~~

AMEND: 813-012-0170

RULE SUMMARY: Amending rules to update disposal of department-owned projects.

CHANGES TO RULE:

813-012-0170

Disposal of Department-Owned Projects ¶

(1) The Department may transfer ownership of a ~~Department-owned Project~~ projects acquired through foreclosure or deed in lieu of foreclosure through sale, gift or other lawful manner to a ~~Pperson or Ppersons, or entity~~ whom the Department determines ~~best~~ meets the requirements of this ~~Pprogram~~. The Department shall establish written procedures for selling a ~~Pproject~~ prior to any offering of such ~~Pproject, as applicable.~~ ¶

(2) The method of transfer of ownership, timing, price, terms, and any other factors pertinent to the transfer of ownership shall be ~~effect~~ determined by the Department in a manner which, in the opinion of the Department, best preserves the integrity and continuity of the Department's rental programs. Factors the Department may consider include, but are not limited to: ¶

(a) The financial investment of the Department in the ~~Pproject;~~ ¶

(b) Preservation of existing rental housing; ¶

(c) Proposed new owner's ability to manage, market, maintain and protect the project and any property used as security for the ~~loan made by the Department, if applicable~~ program loan or program contribution relating to the project; ¶

(d) Proposed new owner's capacity to preserve or improve upon the ~~property~~ ject's safety, sanitation, durability and livability; ¶

(e) Proposed new owner's ability to preserve units ~~which~~ that are affordable and ~~suitable to meet~~ the needs of ~~the residents; and~~ current and future tenants; ¶

(f) Continued compliance with state or federal laws, rules ~~or~~ and regulations, as applicable to the financing or ~~use~~ operation of the ~~Pproject.~~

Statutory/Other Authority: ORS 90.800 - 90.840, 90.630, 183, 335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.625

REPEAL: 813-012-0180

RULE SUMMARY: Repealing 813-012-0180

CHANGES TO RULE:

~~813-012-0180~~

~~Waiver~~

~~The Department may waive or modify any requirements of OAR 813, division 012, unless such waiver or modification would violate applicable federal or state statutes or regulations.~~

~~Statutory/Other Authority: ORS 456.515—456.720~~

~~Statutes/Other Implemented: ORS 456.555~~

AMEND: 813-030-0005

RULE SUMMARY: Updating to reflect ORS 456.535 as the Elderly and Disabled Housing Programs.

CHANGES TO RULE:

813-030-0005

Purpose and Objectives **II**

The rules of OAR chapter 813, division 030, are promulgated to carry out the provisions of ORS 456.515 to ~~456.720~~ specifically 456.515 through 456.547, as they pertain to the administration by the Housing and Community Services Department (Department) of the Elderly and Disabled Housing ~~P~~program. These rules and the related determinations and orders of the Department constitute the Department's Elderly and Disabled Housing ~~P~~program. The purpose of the program is to provide funds to finance the construction, rehabilitation, and acquisition of multi-unit family housing for elderly and disabled households in the State of Oregon, while providing sufficient safeguards to protect the financial interests of the state. Funding may be provided to eligible projects in the form of a program loan, a program contribution or a combination of both.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183.341, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ~~ORS 456.515 - 456.720~~

RULE SUMMARY: Updating definitions to include disabled references within OAS 456.535

CHANGES TO RULE:

813-030-0010

Definitions ¶

(1) All terms are used in OAR chapter 813, division 030, as defined in the Act and as provided in OAR 813-005-0005 and herein.¶

(2) As used in these rules, unless otherwise indicated by the context:¶

(a) ~~"Elderly Housing Project" ("Project") means housing containing more than one living unit for elderly households, but not providing continuous nursing care;~~"Borrower" means a person who satisfies the criteria to receive a Program Loan as set forth in the applicable program rules, statutes, or OHCS orders, and has received program funding in the form of a program loan.¶

(b) "Disabled housing project" means a housing project in which no less than 20% of the units are occupied by, or continuously offered to persons with a disability, or in which 20% of the units meet "fully accessible" standards as designated by the 2010 ADA Standards for Accessible Design, as deemed equivalent to the Uniform Federal Accessibility Standards (UFAS) by the U.S. Department of Housing and Urban Development (HUD) in 24 CFR Part 8, and are subject to the exceptions identified by HUD where UFAS requirements remain controlling. The project, including living units intended to house disabled persons, must be designed to meet the target population's needs. Technical design requirements and guidance for qualifying disabled housing projects are provided in the Older Adults Housing program (OAH) manual (July 13, 2026 version) which is incorporated into these rules by reference. All references to these OAR 813, division 030 rules shall be deemed to include the OAH Manual. Developments providing continuous nursing care are not eligible for program funding.¶

(c) "Elderly and disabled housing program" or "program" means the program established under ORS 456.539 and implemented by the Department in accordance with the rules and requirements set forth in this OAR chapter 813, division 030.¶

(d) "Elderly household" means a household whose head is over the age of 55, residing in this state.¶

(e) "Elderly housing project" means a housing project meeting one of the Fair Housing Act exemptions for "Housing for Older Persons," as further described in regulations issued by the Secretary for Housing and Urban Development. The exemptions are for the following projects: ¶

A. Projects provided under any state or federal program the Secretary of Housing and Urban Development has determined to be specifically designed and operated to assist elderly persons (as defined in the state or federal program):¶

B. Projects intended for, and solely occupied by persons 62 years of age or older; or¶

C. A facility or community intended and operated for occupancy by persons 55 years of age or older satisfying each of the following requirements:¶

i. At least 80 percent of the units must have at least one occupant who is 55 years of age or older; and¶

ii. The facility or community must publish and adhere to policies and procedures that demonstrate the intent to operate as housing for persons 55 years of age or older; and¶

iii. The facility or community must comply with the U.S. Department of Housing and Urban Development's regulatory requirements for age verification of residents.¶

~~(b) "Gross household income" means the anticipated total income from all sources received by the family head of household and by each additional member of the family of household 18 years of age and over, including all net income derived from assets for the twelve-month period following the date of certification of income, in accordance with the U.S. Department of Housing and Urban Development regulations promulgated by HUD at 24 CFR 813, or successor regulation:¶~~

(g) "Major life activity" includes but is not limited to self-care, ambulation, communication, transportation, education, socialization, employment (HUD) in 24 CFR 813, and the ability to acquire, rent, or maintain property.¶

~~(h) "Multifamily housing" means a structure or facility which~~(i) established primarily to provide housing, (ii) that provides more than one living unit, and may provide spaces for common. Multifamily housing may also provide facilities functionally related and subordinate to the living units for use by the occupants in social and health, educational or recreational activities. The living units may include, but are not limited to, individual living units within such structures, manufactured mobile homes and manufactured dwelling parks and residential facilities licensed under ORS 443.400 to 443.455 and other congregate care facilities with or without domiciliary care.¶

(i) "Person with a disability" means a person who has a physical or mental impairment that substantially limits one

or more major life activities.¶¶

(j) "Program beneficiary" means a borrower or any entity who satisfies the criteria to receive a program contribution as set forth in the applicable program rules, statutes, or OHCS orders, and has received program funding in the form of a program contribution. ¶¶

(k) "Program contribution" means program funding provided to a project in a form other than a program loan, including a subordinate loan, modification of an existing Program Loan, or other contribution of funds to a project. ¶¶

(l) "Program loan" means a loan to a borrower made in compliance with applicable program rules, statutes, OHCS orders and federal tax requirements, as applicable. ¶¶

(m) "Project" means an elderly housing project or a disabled housing project that applies for or receives funding under the program.

Statutory/Other Authority: ~~ORS 90.800–90.840, 91.886, 183, 456.515–~~, ORS 91.886, ORS 183.341, ORS 456.515, ORS 458.210, ORS 90.840, ORS 456.723, 458.210–458.650ORS 458.650, ORS 465.535

Statutes/Other Implemented: ~~ORS 456.515–~~, ORS 456.720, ORS 465.535

ADOPT: 813-030-0014

RULE SUMMARY: Adopting rules for the Elderly & Disabled housing designation.

CHANGES TO RULE:

813-030-0014

Elderly and Disabled Housing Designation

(1) To be eligible for Elderly & Disabled Housing Program funds, a project must qualify as an elderly housing project or a disabled housing project, as defined in OAR 813-030-0010. Eligible projects may meet either or both definitions. ¶

(2) Projects receiving Elderly and Disabled Housing Program funds, whether in the form of a program loan or a program contribution, must agree to a minimum affordability period of not less than the greater of ¶

(a) the period the program loan is outstanding. ¶

(b) fifteen (15) years from the date of the initial funding of the program loan or the program contribution, or ¶

(c) the qualified project period required to maintain the tax-exempt status of the interest on any bonds issued on a federally tax-exempt basis to provide Elderly and Disabled Program funds to the project. ¶

(3) Projects financed by the department must satisfy applicable Internal Revenue Service tax-exempt bond requirements, including either reserving at least 40 percent of the project units for households at or below 60 percent of Area Median Income (AMI) or reserving at least 20 percent of the project units for households at or below 50 percent of AMI. Remaining units may be rented to persons at any AMI level, unless otherwise restricted by other program requirements or financing sources. Projects that include both restricted and unrestricted units must comply with the department's shared cost allocation rules as set forth in OAR chapter 813, division 380.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 90.800 - 90.840, 91.886, 456.515 - 456.723, 458.210 - 458.650, ORS 456.515 - 456.720

RULE SUMMARY: Repealing OAR 813-030-0020.

CHANGES TO RULE:

~~813-030-0020~~

~~Form of Loan Assistance~~

- ~~(1) The Department shall make loans to Borrowers under the terms of written Commitments.¶¶~~
- ~~(2) Loans shall be made directly with proceeds from the issuance of bonds or other available funds obtained by the Department. The Department may establish charges and interest rates based upon:¶¶~~
- ~~(a) The cost of borrowing through bond issuance;¶¶~~
- ~~(b) The funds required to carry out the Elderly Housing Program; and¶¶~~
- ~~(c) Such other factors as the Department considers appropriate or necessary.¶¶~~
- ~~(3) Interest on a loan shall not exceed the rate stated in the Commitment. If the Department is able to charge an interest rate lower than that specified in the Commitment, the Department may provide for the reduction of interest payment on the loan. The Department may require a reduction on the Project rents.¶¶~~
- ~~(4) The Department shall not execute a Commitment to an Eligible Borrower for a loan amount that exceeds allowable total Project costs or 85 percent of the appraised value, whichever is less, of the Project.¶¶~~
- ~~(5) Each loan shall have a final maturity of not more than 42 years from the date of its making and shall be secured by a first lien deed of trust granted by the Borrower on the property securing the loan.¶¶~~
- ~~(6) Loan documents shall be on forms approved by the Department.¶¶~~
- ~~(7) Each loan shall provide for the monthly collection of Escrow Payments to the extent provided by law together with the monthly installment of principal and interest. All such payments shall be:¶¶~~
- ~~(a) Held for the benefit of the Department in an account with an Approved Servicer; or¶¶~~
- ~~(b) Held by the State of Oregon as provided or required by law.¶¶~~
- ~~(8) If the Department receives loan applications in an amount greater than the amount of funds available, the Department shall select those applications which, in the judgment of the Department, best achieve purposes of the program rules and the Act.¶¶~~
- ~~(9) The Department shall establish prepayment penalties applicable to loans. In setting such penalties, the Department shall take into account the need to protect the ability of the state to provide for the payment of the Bonds. Any prepayment penalties shall be set forth in the trust deed note.~~

~~Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183, 456.515 - 456.723, 458.210 - 458.650~~

~~Statutes/Other Implemented: ORS 456.515 - 456.720~~

AMEND: 813-030-0025

RULE SUMMARY: Updating to reflect ORS 456.535 as the Elderly and Disabled Housing Programs.

CHANGES TO RULE:

813-030-0025

Loan Security ~~¶~~

Notwithstanding any other provision contained in the ~~program rules~~ OAR chapter 813, division 030, the Department shall not disburse funds for a program loan until: ~~¶~~

~~(1) The loan is secured by a fully executed trust deed note and promissory note and fully secured first lien trust deed in such form as required by the Department, provided a shared first lien with a trust deed or other evidence of security; and ¶~~

~~(2) The Eligible B~~ Securing a loan from the Department under the programs funded under Article XI-Q of the Oregon Constitution and ORS 458.480 through 458.490, in such form as the Department may determine, will also be acceptable. ¶

~~(2) The borrower has satisfied all conditions contained in a Commitment required by OHCS.~~

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 456.515 - 456.723, 458.210 - 458.650, ORS 456.555

Statutes/Other Implemented: ORS 456.515 - 456.720, ORS 456.555, ORS 456.625

AMEND: 813-030-0030

RULE SUMMARY: Updating rule title to correctly reference Elderly and Disabled Housing Program cited in ORS 456.535.

CHANGES TO RULE:

813-030-0030

Eligible Elderly and Disabled Housing Projects ¶

~~(1) The Department shall evaluate each Project for consistency with the Department's Multifamily rental financing: permanent loan program manual (July 13, 2026) is interpretation of sound architectural design and prudent underwriting standards as established in OAR 813-030-0031.¶~~

~~(2) In order to qualify for a loan, a Project shall:¶~~

~~(a) Be approved by the Department with respect to site; location; market demand; financial feasibility; qualifications of general contractor; management incorporated into this Division 30 by reference. All references to these OAR 813, division 030 rules shall be deemed to include the multifamily rental financing: permanent loan program manual.¶~~

~~(2) Through its multifamily rental financing: permanent and developer; appraisal; financial strength and credit worthiness of the Eligible Borrower ; management plan; final architectural package; Eligible Borrower's organizational documents; American Land Title Association (ALTA) title report; loan program manual, the Department shall establish a method by which the Department will evaluate each project to ensure program and departmental standards are met for each program loan and any other information the Department shall require; d for any program contribution. ¶~~

~~(b3) Meet all applicable state and local land use and zoning requirements, housing codes, licensing, and similar requirements;¶~~

~~(c) Be in compliance with federal regula~~A Project with an outstanding Program Loan may be eligible for a Program Contribution, in accordance with the standards described for a Program Contributions, state statutes and Program rules;¶

~~(d) Be located in the State of Oregon; and¶~~

~~(e) Remain affordable in terms of the loan documents in accordance with the standards described in the Multifamily Rental Financing: Permanent Loan Program Manual, and subject to satisfying OHCS underwriting criteria.~~

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ~~ORS 456.515 - 456.720~~90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.650, ORS 456.515 - 456.547

RULE ATTACHMENTS MAY NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.

NOTE: Attachments referenced are attached to this document. You may view the attachment 813-030-0030.pdf from the Attachments panel. Alternately, you may view the attachments at the following link:

<https://secure.sos.state.or.us/oard/viewAttachment.action?ruleVrsnRsn=340005>

AMEND: 813-030-0031

RULE SUMMARY: Decommissioning and disposal of the homeowner's current Manufactured Dwelling.

CHANGES TO RULE:

813-030-0031

Standard Underwriting Criteria ~~for Program Loans and Program Contributions ¶¶~~

~~In approving or disapproving any loan application, the Department and the Housing Stability Council shall consider, in addition to requirements elsewhere stated in the Program rules, the following criteria:¶¶~~

~~(1) The location of the Project site, including its proximity to transportation, shopping, social, commercial and recreational facilities, medical services and such other facilities and services as shall best serve the prospective residents;¶¶~~

~~(2) Financial feasibility of the Project;¶¶~~

~~(3) Availability of street, sewer, water, utilities~~The Department will underwrite each program loan pursuant to underwriting criteria that shall be established by the Department, including as set forth in the Multifamily Rental Financing: Permanent Loan Program Manual and other public services;¶¶

~~(4) Availability of public or private transportation;¶¶~~

~~(5) Architectural design, including aesthetic quality, soundness of construction, energy efficiency, and suitability to the needs of the residents to be served;¶¶~~

~~(6) Compliance with applicable local comprehensive plan and land use regulations;¶¶~~

~~(7) Market demand;¶¶~~

~~(8) The financial strength, credit reputation and history of the Eligible Borrower; and¶¶~~

~~(9) The experience of the developer, contractors, architects, consultants and management agent in developing, constructing and operating housing projects~~General Program Guidance Manual, and updated from time to time in accordance with acceptable risk tolerance criteria for a direct lending program operated by the State of Oregon.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ~~ORS 456.515 - 456.720~~3

REPEAL: 813-030-0032

RULE SUMMARY: Repealing 813-030-0032

CHANGES TO RULE:

~~813-030-0032~~

~~Manufactured Dwelling Park Projects~~

~~(1) To qualify as a Manufactured Dwelling Park, the Project shall comply with the following standards and conditions:¶¶~~

~~(a) Site, design and licensing standards of the local government;¶¶~~

~~(b) Regulations of the Building Codes Division, State of Oregon, OAR 918-600-0010 to 918-600-0110;¶¶~~

~~(c) All manufactured dwellings shall have skirting, unless the home is set on a ground level foundation. If the manufactured dwelling is purchased after September 4, 1984, the design, color and texture of the skirting shall appear to be an integral part of the adjacent exterior wall of the manufactured dwelling;¶¶~~

~~(d) All manufactured dwellings purchased after September 4, 1984, shall have a roof with a non-reflective surface at a minimum slope of two inches in 12 inches (16 percent);¶¶~~

~~(e) The area occupied by the manufactured dwelling and any accessory buildings (including porches, car-ports, etc.) shall not exceed 40 percent of the lot area; and¶¶~~

~~(f) All manufactured dwellings shall be installed in compliance with the State of Oregon, Building Codes Division regulations. Installation inspections shall be completed by the Building Codes Division, or by a city or county which has contracted to do the inspections. A copy of the final inspection report shall be submitted to the Department together with a copy of a certificate of occupancy.¶¶~~

~~(2) The Borrower shall establish rules for the residents of the Project, to be a required part of each resident's lease. The rules and lease shall be submitted for the Department's review and approval as part of the proposal.~~

~~Statutory/Other Authority: ORS 90.800—90.840, 91.886, 183, 456.515—456.723, 458.210—458.650~~

~~Statutes/Other Implemented: ORS 456.515—456.720~~

AMEND: 813-030-0034

RULE SUMMARY: Updating rule to correctly reference the Elderly and Disabled Housing Program cited in ORS 456.535.

CHANGES TO RULE:

813-030-0034

Interim Loans Funding Availability ¶

(1) The Department may from time to time make ~~available funds for~~ program funds available, as program loans or program contributions, for the construction, acquisition and/or rehabilitation, or other financing of ~~Elderly Hand disabled housing P~~ projects, for a term not to exceed two years. ¶

~~(2) Notwithstanding any other requirements of OAR chapter 813, division 030, t. ¶~~

(2) The Department may, as program funds are available, add funds to current fund delivery systems, solicit applications for the use of such funds. ~~Applications shall specify in writing any t, make funds available to applicants on a first come first reviewed basis, provide funding directly to Borrowers and conditions of the available funds, as well as criteria or priorities the Department shall use to evaluate and select applications for funding or Program Beneficiaries deliver funds to Borrowers or Program Beneficiaries in any other method that is determined legal, reasonable and efficient by the Department. ¶~~

(3) The Department shall evaluate applications received in accordance with program policies and priorities approved by the ~~Housing Stability Council~~ Department, and with applicable requirements ~~of in this~~ in this OAR chapter 813, division Q30.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 456.515 -~~4~~.56.723, ORS 458.210 -458.650

Statutes/Other Implemented: ORS 90.800 - 90.840, 91.886, 456.515 -4.56.723, ORS 458.210 -458.650, ORS 456.515 -456.547

AMEND: 813-030-0035

RULE SUMMARY: Updating to reflect ORS 456.535 as the Elderly and Disabled Housing Programs.

CHANGES TO RULE:

813-030-0035

Approved Housing Borrowers ¶

(1) To be eligible to receive a program loan, ~~an Eligible Borrower shall comply with the terms contained in the Commitment issued by the Department and the conditions of eligibility as set forth in these rules or a program contribution, a borrower must satisfy and comply with all applicable statutory requirements, the rules set forth in this OAR chapter 813, division 30, including all terms as outlined in the multifamily rental financing: permanent loan program manual.~~ ¶

(2) Any entity may apply ~~to become an Eligible Borrower.~~ ¶

(3) ~~To help the Department evaluate the financial strength of an Eligible Borrower to develop, own, maintain and manage a Project, the Eligible Borrower shall submit financial statements, credit reports and any other documents requested by the Department in accordance with the provisions of the Equal Credit Opportunity Act as it relates to the Department for a Program Loan, provided its proposed use of loan proceeds meets project eligibility requirements and the entity meets all applicable applicant eligibility criteria.~~ ¶

(3) Any Borrower with an outstanding Program Loan or who simultaneously applies for a Program Loan may apply for a Program Contribution in accordance with the terms and procedures outlined in the Multifamily Rental Financing: Permanent Loan Program Manual. Program Contributions will only be awarded to Projects with a Program Loan.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.515 - 456.720

RULE SUMMARY: Repealing OAR 813-030-0040.

CHANGES TO RULE:

~~813-030-0040~~

~~Processing Procedures~~

~~(1) Before accepting a Project for the application process, the prospective Borrower shall submit an application to the Department on forms acceptable to the Department. If the Project meets the Program requirements, an application conference with the prospective Borrower shall be scheduled. At the conference, the Department may discuss, but is not limited to discussing:~~

- ~~(a) Type of loan requested;~~
- ~~(b) Type and formation of prospective Borrower's company (sole proprietorship, partnership, corporation, nonprofit, etc.) and qualifications;~~
- ~~(c) Requested loan amount, terms and interest rate;~~
- ~~(d) Any time constraints on prospective Borrower or Department;~~
- ~~(e) Charges;~~
- ~~(f) Reserve and equity requirements;~~
- ~~(g) Debt service ratio and other contingency requirements;~~
- ~~(h) Appraisal requirements;~~
- ~~(i) Environmental Surveys;~~
- ~~(j) Contractor's cost estimate and qualifications;~~
- ~~(k) Management and maintenance plans;~~
- ~~(l) Project management requirements, reports, and qualifications;~~
- ~~(m) Loan servicing requirements and procedures;~~
- ~~(n) Design and related requirements;~~
- ~~(o) Document requirements;~~
- ~~(p) Construction procedures;~~
- ~~(q) Department loan processing procedures;~~
- ~~(r) Eligibility requirements under federal and state law and regulations;~~
- ~~(s) Site control;~~
- ~~(t) Reserves and costs for Bond issue; and~~
- ~~(u) Any other items pertinent to the proposed project.~~

~~(2) At the conclusion of the application conference, if the prospective Borrower and the Department agree to proceed with the application process, the prospective Borrower shall provide the necessary loan application documentation.~~

~~(3) After receiving a completed loan application package from the prospective Borrower, the Department shall evaluate each Project for consistency with the Department's interpretation of sound architectural and planning principles and prudent underwriting standards.~~

~~(4) In order to qualify for a loan, a Project shall:~~

- ~~(a) Be approved by the Department with respect to site; location; market demand; financial feasibility; qualifications of general contractor, management agent and developer; appraisal; financial strength and credit worthiness of the prospective Borrower; management plan; final architectural package; organizational documents; ALTA title report; resident services plan; and any other information the Department shall prescribe;~~
- ~~(b) Meet all applicable state and local land use and zoning requirements, housing codes, and similar requirements;~~
- ~~(c) Be in compliance with federal regulations, state statutes and Program rules;~~
- ~~(d) Be located in the State of Oregon; and~~

~~(e) If the loan is for an amount over \$100,000, be approved by the Housing Stability Council prior to the Department's issuance of a loan Commitment.~~

~~(A) The Department shall review each application for a loan over \$100,000 and prepare a proposal to the Housing Stability Council for approval or disapproval. The Department will send a copy of its proposal to the prospective Borrower with a notice of the Housing Stability Council meeting at which the application will be considered. Upon receipt of the notice, the prospective Borrower may request an opportunity to present testimony at the meeting;~~

~~(B) After considering the Department's proposal, as well as any other testimony presented, the Housing Stability Council shall approve or disapprove the application or take other appropriate action;~~

~~(C) The prospective Borrower shall promptly be advised in writing of the Housing Stability Council's decision.~~

~~(5) In approving or disapproving any loan application, the Department and the Housing Stability Council shall consider, in addition to requirements elsewhere stated in the Program rules, the following criteria:~~

(a) The location of the Project site, including its proximity to transportation, shopping, social, commercial and recreational facilities, medical services and such other facilities and services as shall best serve the residents;¶¶

(b) Financial feasibility of the Project;¶¶

(c) Availability of street, sewer, water, utilities and other public services;¶¶

(d) Availability of public transportation;¶¶

(e) Architectural design, including aesthetic quality, soundness of construction, energy efficiency, and suitability to the needs of the residents to be served;¶¶

(f) Compliance with applicable local comprehensive plan and land use regulations;¶¶

(g) Market demand;¶¶

(h) The financial strength, credit reputation and history of the prospective Borrower; and¶¶

(i) The experience of the developer, contractors, architects, consultants and management agent in developing, constructing and operating housing projects.¶¶

(6) The prospective Borrower may submit a written request for review and appeal of the Housing Stability Council's decision in accordance with the provisions of ORS Chapter 183. To be considered, a request must be received by the Department within 30 days of the date of the notice of application disapproval.¶¶

(7) Upon loan approval the Department shall issue a Commitment, which may be subject to loan funds being available, and may include, but are not limited to:¶¶

(a) The amount of the loan;¶¶

(b) The maximum rate of interest to be charged on the loan;¶¶

(c) The term of the loan;¶¶

(d) The amount of the Commitment fee, Rent-Up Reserve Account and Contingency Escrow Account;¶¶

(e) When the Commitment fee shall be paid, and when the Rent-Up Reserve Account and Contingency Escrow Account shall be funded;¶¶

(f) All other conditions of the commitment, and when they shall be fulfilled;¶¶

(g) Provisions concerning construction;¶¶

(h) Provisions and conditions of loan disbursement;¶¶

(i) Provisions of Loan Closing; and¶¶

(j) Conditions of termination of the Commitment.¶¶

(8) If the Commitment conditions are not completed by the dates specified in the commitment, the offer for a Commitment shall expire, unless the Department grants an extension in writing.¶¶

(9) Construction and Completion:¶¶

(a) During the construction of the Project, the Department may conduct random inspections for Borrower's compliance with the plans and specifications previously approved by the Department. The Borrower's architect shall submit regular inspection reports to the Department. Change orders must be signed by the contractor, Project architect and the Borrower before being submitted to the Department for its approval and prior to the changes being made;¶¶

(b) Upon completion of construction of the Project, the Department shall perform an inspection to assure the Borrower's compliance with the approved plans and specifications. If some items of construction remain to be completed due to circumstances beyond the control of the Borrower (provided the incomplete items do not detract from livability or safety of the Project), the Department may require the Borrower to escrow as approved by the Department and under Department control, an amount equal to one and one-half times the estimated cost of completion, until the construction item is completed.

Statutory/Other Authority: ~~ORS 90.800 – 90.840, 91.886, 183, 456.515 – 456.723, 458.210 – 458.650~~

Statutes/Other Implemented: ~~ORS 456.515 – 456.720~~

REPEAL: 813-030-0044

RULE SUMMARY: Repealing 813-030-0040.

CHANGES TO RULE:

~~813-030-0044~~

~~Loan Closing~~

~~Before the loan closing takes place, the Department shall provide to the escrow officer written instructions for closing the loan. The Department shall not authorize disbursement of loan funds until all conditions of the commitment are satisfied and the Department has received and approved:¶¶~~

~~(1) Cost certification;¶¶~~

~~(2) Certificate or policy of insurance for fire and extended coverage, liability, business income and flood insurance (if applicable), with the appropriate loss deductible. All insurance coverage shall be in the amounts set forth in the Department's Regulatory Agreement and Declaration of Restrictive Covenants;¶¶~~

~~(3) Contingency Escrow Account;¶¶~~

~~(4) Certificate of occupancy from the local government, or final inspection report, as required;¶¶~~

~~(5) Notice of Completion;¶¶~~

~~(6) Commercial leases (if applicable);¶¶~~

~~(7) Ground leases (if applicable);¶¶~~

~~(8) Any other relevant leases;¶¶~~

~~(9) Tax abatement approval;¶¶~~

~~(10) American Land Title Association (ALTA) mortgagee's preliminary title insurance report from the title company of the Borrower's choice;¶¶~~

~~(11) Any licenses required by the state;¶¶~~

~~(12) For Acquisition Loans:¶¶~~

~~(a) Certification of completion of work on repairs from the general contractor and owner.¶¶~~

~~(13) All other reasonable requirements of the Department.~~

~~Statutory/Other Authority: ORS 90.800—90.840, 91.886, 183, 456.515—456.723, 458.210—458.650~~

~~Statutes/Other Implemented: ORS 456.515—456.720~~

RULE SUMMARY: Updating rule to correctly reference the Elderly and Disabled Housing Program cited in ORS 456.535.

CHANGES TO RULE:

813-030-0046

Resident Eligibility and Occupancy ¶

(1) To be eligible to occupy a project, an Elderly Household shall:¶

~~(a) Be a unit in a designated elderly housing project, a Resident of the state; must;¶~~

~~(b) Be a household whose head is over the age of 58 years;¶~~

~~(c) Have an annualized Gross Household Income which does not exceed the income limits as established by the Department from time to time in compliance with the Act; resident of the state of Oregon; and¶~~

~~(d) The project shall conform to the maximum income requirement of ORS 456.620(4). A maximum of one-third of the units in a housing project, housing development or other residential housing financed by the Department may be rented to households with the head of the unit household must be over the an income level exceeding 120 percent of the median family income level as determined by the Department; age of 55 years.¶~~

~~(e) Relating specifically to acquisition/rehabilitation projects only, where tenants already reside. In addition to meeting the project, the Department, at its sole discretion, may allow up to a one (1) year grace period for implementation of the standards identified in subsection (d) above in order to reduce the impact of displacement for over-income residents.¶~~

~~(2) Where the Project has a Regulatory Agreement and Declaration of Restrictive Covenants which was signed after June 16, 1982, have an annualized Gross Household Income, which does not exceed the income limit as established by the Department from time to time in compliance with the Act.¶~~

~~(3) Where the Project will be financed with proceeds of Bonds issued after August 15, 1986, have an annualized Gross Household Income which does not exceed such other income limit as requirements of subsection (1) of this section, in order to be eligible to occupy a designated elderly housing project described in 813-030-0010(2)(e)(B), all members of the unit household must be at least 62 years of age.¶~~

~~(3) To qualify for the disabled preference that may be required to assure compliance with Section 142(d)(1) of the Internal Revenue Code of 1986, as amended:¶~~

~~(a) If Section 142(d)(1) of the Code so requires, the Borrower shall offer for applicable disabled housing projects, at Commitment to apply either the "20-50" or "40-60" income requirement under Section 142(d)(1) of the Code, as summarized below, to the Project during the qualified Project period;¶~~

~~(b) If the Borrower elects to meet the "20-50" requirement under Section 142(d)(1) of the Code, at all times during the qualified project period at least 20 percent of the completed residential units in the Project shall be rented to and occupied by (or held available for rent by) Persons whose annualized Gross Household Income is 50 percent or less of area median income, adjusted for family size; and,¶~~

~~(c) If the prospective Borrower elects to meet the "40-60" requirement under Section 142(d)(1) of the Code, at all times during the qualified project period at least 40 percent of the completed residential units in the Project shall be rented to and occupied by (or held available for rent by) Persons whose annualized Gross Household Income is 60 percent or less of area median income, adjusted for family size.¶~~

~~(4) The Borrower shall conduct annual income certifications of all residents to assure compliance with Section 142(d) of the Code, and shall, where necessary, hold units vacant and available for occupancy by Persons meeting the income requirements elected pursuant to Section 142(d).¶~~

~~(5) The Department may waive the Department's income limits for a household seeking residence in an Elderly Housing Project if a Person in the household is a Disabled Person requiring special housing provisions to accommodate the impairment and whose disability arises from a physical or mental impairment that substantially limits one or more Major Life Activity; however, no such waiver shall be made of the requirements of Section 142(d) of the Code.¶~~

~~[Publications: Publications referenced are available from the agency.] least one member of the unit household must meet the definition of person with a disability as provided in OAR 813-030-0010.¶~~

~~(4) When a project is being acquired or rehabilitated, the Department may, at its sole discretion, relax eligibility requirements for up to 1 year to allow current residents, who may not otherwise qualify, a reasonable amount of time to find suitable replacement housing.~~

Statutory/Other Authority: ORS 90.800–90.840, 91.886, 183, ORS 91.886, ORS 183.341, ORS 456.515–456.723, 458.210–458.650, ORS 458.210, ORS 456.723, ORS 90.840, ORS 458.650, ORS 456.535

Statutes/Other Implemented: ORS 456.620, ORS 456.645, ORS 456.675

AMEND: 813-030-0047

RULE SUMMARY: Updating to reflect ORS 456.535 as the Elderly and Disabled Housing Programs.

CHANGES TO RULE:

813-030-0047

~~Commitment Fee and Other Charges~~ Borrower Reporting and Compliance Monitoring ¶

~~(1) The Department shall charge a non-refundable Commitment fee up to two percent of the loan.¶~~

~~(2) The Eligible Borrower~~ Elderly & Disabled Program Compliance Manual dated 2014, is incorporated into this Division 030 by reference. References to this OAR chapter 813, division 030 shall include the fee with the Eligible Borrower's signed acceptance of the Commitment returned to the Department. Elderly & Disabled Program Compliance Manual. ¶

~~(3) The Commitment fee shall not be deducted through its Elderly & Disabled #Prom the Borrower's equity requirement.¶~~

~~(4) The Department may charge other fees or charges, as needed, to cover the costs and reduce the financial risk to the Department's of issuing bondgram Compliance Manual, the Department will establish standards and procedures for satisfying ongoing compliance requirements.~~

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS ~~456.515~~ 90.800 - 90.840, 91.886, ORS 456.320, ORS 456.645, ORS 456.720, 456.75

ADOPT: 813-030-0050

RULE SUMMARY: Adopting rules to include Elderly and Disabled Sinking Fund in the Elderly and Disabled Housing Program.

CHANGES TO RULE:

813-030-0050

Elderly and Disabled Sinking Fund

The department may utilize the elderly and disabled sinking fund as outlined in ORS 456.543. Surplus funds may be loaned as either program loans or program contributions as determined appropriate and necessary by the Department to expand or preserve housing opportunities and supply for elderly households and persons with a disability. Resources will be disbursed in a manner consistent with other housing resource opportunities administered by the Department.

Statutory/Other Authority: ORS 456.543

Statutes/Other Implemented: ORS 456.543

CHANGES TO RULE:

~~813-030-0060~~

~~Loan Servicing~~

~~(1) The servicing of loans shall be performed by servicer(s) selected by the Department. Servicing, unless performed by the Department, shall be conducted under the terms and conditions contained in a servicing agreement entered into between the Department and any Approved Servicer. The Department shall prescribe the form of the servicing agreement. The Approved Servicer shall:~~

- ~~(a) Promptly collect all payments due under the Loan Agreement and Regulatory Agreement and Declaration of Restrictive Covenants;~~
- ~~(b) Provide the Department with a monthly accounting of loan payments and disbursements;~~
- ~~(c) Ensure that escrow account balances are maintained at a level sufficient for the payment of the Project's property taxes, insurance premiums and costs of replacement as they become due and payable;~~
- ~~(d) Forward payments to the Department according to the provisions of the servicing agreement;~~
- ~~(e) Forward payments for insurance premiums to the insurance company when due;~~
- ~~(f) Forward payments for property taxes to the county assessor when due;~~
- ~~(g) Assure that all improvements on the mortgaged premises are kept insured against fire and extended coverage, casualty, liability and business income loss in accordance with the Loan Agreement and Regulatory Agreement and Declaration of Restrictive Covenants;~~
- ~~(h) Provide Borrower with regular analyses of servicing accounts; and~~
- ~~(i) Perform such other responsibilities as the Department may prescribe.~~

~~(2) If the Department does not act as the Approved Servicer, the Borrower selects the entity to act as Approved Servicer for the Loan. In order to qualify as an Approved Servicer and continue as such, an entity shall demonstrate to the satisfaction of the Department that:~~

- ~~(a) One of its principal functions is the servicing of multi-family or commercial loans secured by real estate;~~
- ~~(b) Such servicing is a customary and regular business activity of the applicant;~~
- ~~(c) It is qualified to engage in the servicing of mortgage loans for specified government agencies or private institutions engaged in the secondary market for mortgage investments;~~
- ~~(d) It deposits funds to accounts in depositories which comply with the requirements of ORS 295.005, 295.015 to 295.018, and 295.025 and which are insured to the full extent legally possible by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or other similar federal insuring agency; and~~
- ~~(e) It shall maintain servicing facilities adequately staffed with personnel familiar with all regulations and requirements pertaining to or affecting Loans serviced for the Department.~~

~~Statutory/Other Authority: ORS 456.555~~

~~Statutes/Other Implemented: ORS 456.555, 456.625~~

AMEND: 813-030-0062

RULE SUMMARY: Updating to reflect ORS 456.535 as the Elderly and Disabled Housing Programs.

CHANGES TO RULE:

813-030-0062

~~Change of Approved Loan Servicers- ing ¶~~

~~(1) The servicing agreement may be term The department may service program loans inated or amended as provided for in the servicing agreement or these rules.¶¶~~

~~(2) The Department may direct a change of Approved Servicer at any time consistent with the terms of the nally or utilize a third party to provide loan servicing for any or all program loans. When utilizing a third-party servicer, the Department will specify the loan servicing process through a servicing agreement and these rules.~~

Statutory/Other Authority: ORS 456.555

Statutes/Other Implemented: ORS 456.555, 456.625

RULE SUMMARY: Repealing OAR 813-030-0066.

CHANGES TO RULE:

~~813-030-0066~~

~~Transfer of Ownership~~

~~(1)(a) A Borrower who has received a loan or commitment from the Department shall not transfer ownership, lease, or otherwise encumber any property which serves or will serve as security for a loan from the Department without prior written approval from the Department.¶¶~~

~~(b) The Borrower shall be required to submit underwriting documentation as requested by the Department.¶¶~~

~~(2) A transfer of ownership means a sale, conveyance or other transfer of:¶¶~~

~~(a) Any interest of a general partner;¶¶~~

~~(b) Any interest in a joint venture;¶¶~~

~~(c) More than 25 percent of a limited partner's interest;¶¶~~

~~(d) More than ten percent of a corporate owner's interest; or¶¶~~

~~(e) Any individual interest when the ownership is not a limited partnership, general partnership, joint venture or corporation.¶¶~~

~~(3) The Department may require a transfer application charge from Borrowers of Projects that received loans through the Department, who request the Department's approval of a change in Project ownership. The Department may require a transfer review charge to Project owners and transferees who effect a change in Project ownership without prior written approval from the Department.¶¶~~

~~(4) A 100 percent transfer of ownership means a sale, conveyance or other transfer of:¶¶~~

~~(a) All interest of a general partnership;¶¶~~

~~(b) All interest of a joint venture;¶¶~~

~~(c) All interest of a corporation;¶¶~~

~~(d) All general partners' interest in a limited partnership; and¶¶~~

~~(e) All individual interest of an ownership entity when the ownership entity is not a limited partnership, general partnership, joint venture or corporation.~~

~~Statutory/Other Authority: ORS 90.800—90.840, 183, 91.886, 456.515—456.723, 458.210—458.650~~

~~Statutes/Other Implemented: ORS 456.515—456.720~~

RULE SUMMARY: Repealing 813-030-0067.

CHANGES TO RULE:

~~813-030-0067~~

~~Loan Prepayments~~

~~(1) It is the general policy of the Department not to accept prepayments. The Department may, however, permit a prepayment if, in its sole discretion, the Department determines that the prepayment is consistent with the best interests of the Department, including its public purpose as defined in ORS 456.550.~~

~~(a) The Borrower must submit to the Department a written request for prepayment at least 90 days prior to the Borrower's estimated prepayment date;~~

~~(b) The Department may charge the Borrower a prepayment review charge to cover the Department's cost of review and processing the prepayment request.~~

~~(2) The Department must give prior written approval of any loan prepayment. In order to be valid, a written approval of prepayment must be signed by an authorized representative of the Department. In making a decision whether or not to allow prepayment of a loan, the Department may consider criteria that include, but are not limited to, the following:~~

~~(a) The financial impact of the prepayment on the Department's programs or on an individual program or Bond indenture;~~

~~(b) Economic factors, including, but not limited to, portfolio diversification and relative cost of capital;~~

~~(c) The cash flow and other relevant financial considerations of the Project loan for which prepayment is requested;~~

~~(d) The ability of the Department to use proceeds of the loan prepayment to increase the availability of housing affordable to low-income Oregonians;~~

~~(e) The willingness of the Borrower to execute a written agreement or give other assurances that the Project will continue to be used for the purposes originally intended, as specified in the Loan Documents, or for an alternate use consistent with the best interests of the Department, including its public purpose as defined in ORS 456.550. Such continued use will be for a period of time mutually agreed on by the Department and the Borrower;~~

~~(f) Tax law consequences; and~~

~~(g) Other factors the Department considers appropriate to insure the security for and the ability of the State to repay the Bonds, and to insure the ongoing financial viability and stability of the Department's programs.~~

~~(3) If the Department determines that a loan prepayment is consistent with the best interests of the Department, it only shall authorize the prepayment provided that the sum to be prepaid, computed as of the date of prepayment, shall equal the unpaid principal balance of the loan plus accrued interest and all other obligations plus, at the Department's discretion, a penalty or premium for the privilege of prepayment. Such prepayment penalty shall be determined based on terms of the original Loan Documents, and amendments thereto which have been mutually agreed on by the Department and the Borrower. The Department may waive all or a portion of such prepayment penalty if it determines in its sole discretion that such waiver is in the best interests of the Department. In making a decision whether or not to waive any or all of a prepayment penalty, the Department may consider, but is not limited to, the criteria identified in OAR 813-030-0067(2)(a) through (g).~~

~~(4) Where Section 8 Housing Assistance contracts or other rent subsidies are in place, the Department may approve a loan prepayment request only if such rent subsidies are not unduly impaired, determined at the sole discretion of the Department.~~

~~(5) Failure to make timely submission of a prepayment penalty will cause additional interest to accrue at loan rate or statutory rate, whichever is higher.~~

~~Statutory/Other Authority: ORS 90.800-90.840, 91.886, 183, 456.515-456.723, 458.210-458.650~~

~~Statutes/Other Implemented: ORS 456.555, 456.625~~

AMEND: 813-030-0068

RULE SUMMARY: Updating to reflect ORS 456.535 as the Elderly and Disabled Housing Programs.

CHANGES TO RULE:

813-030-0068

Disposal of Department-Owned Projects ¶

(1) The Department may transfer ownership of ~~Department-owned Projects~~ projects acquired through foreclosure or deed in lieu of foreclosure through sale, gift or other lawful manner to a person, persons, or entity whom the Department determines ~~best~~ meets the requirements of this ~~P~~program. The Department shall establish written procedures for selling a ~~P~~project prior to any offering of such ~~P~~project, as applicable.¶

(2) The method of transfer of ownership, timing, price, terms, and any other factors pertinent to the transfer of ownership shall be ~~effect~~ determined by the Department in a manner which, in the opinion of the Department, best preserves the integrity and continuity of the Department's rental programs. Factors the Department may consider include, but are not limited to:¶

(a) The financial investment of the Department in the project;¶

(b) Preservation of existing rental housing;¶

(c) Proposed ~~Eligible Borrower~~ new owner's ability to manage, market, maintain and protect the project and any property used as security for the ~~loan made by the Department~~ program loan or program contribution relating to the project;¶

(d) Proposed ~~Eligible Borrower~~ new owner's capacity to preserve or improve upon the ~~property~~ project's safety, sanitation, durability and livability;¶

(e) Proposed ~~Eligible Borrower~~ new owner's ability to preserve units which are affordable and suitable to the needs of the ~~Residents~~ current residents and eligible tenants as described in OAR 813-030-0046 and 813-030-0010(2)(h), as applicable;¶

(f) Continued compliance with state or federal laws, rules or regulations, as applicable to the financing or use of the ~~P~~project.

Statutory/Other Authority: ORS 90.800 - 90.840, 91.886, 183.335, 456.515 - 456.723, 458.210 - 458.650

Statutes/Other Implemented: ORS 456.515 - 456.720

REPEAL: 813-030-0070

RULE SUMMARY: Repealing 813-030-0070.

CHANGES TO RULE:

~~813-030-0070~~

~~Waiver~~

~~The Department may waive or modify any requirements of OAR 813, division 030, unless such waiver or modification would violate applicable federal or state statutes or regulations.~~

~~Statutory/Other Authority: ORS 456.515—456.720~~

~~Statutes/Other Implemented: ORS 456.555~~