

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4485. Use of the Funds.

(a) NMHC shall use the loan from MPLT authorized by this article to establish a comprehensive program or multiple programs for home finance with private banks or by NMHC itself. NMHC shall take steps to ensure that an amount of the money used for home construction and purchase is allocated for lower income Commonwealth residents, and that the entire program give priority to providing loans to homesteaders and first-time home owners. Subject to the limitations of this article, available capital may also be used for refinancing of homes on an individual basis (i.e. no refinancing of subdivisions or multiple-unit developments), financing for home builders and purchasers who are not low income or first-time home purchasers, home renovations and extension loans, the contraction of second homes where the borrower intends to use the new home as a primary residence upon completion, and other lending directly related to home ownership by Commonwealth residents. No lending authorized under this article shall be permitted for economic speculation or for commercial developments.

(b) NMHC may use the loan proceeds on a revolving basis to provide or secure home loans as defined herein, including home construction loans that are taken out by commercial banks, or long-term home purchase financing where no takeout occurs.

(c) NMHC may leverage the proceeds of the loan received from MPLT to increase the capital available for home loans to qualified Commonwealth residents under terms that are commercially reasonable and fiscally responsible.

(d) NMHC in conjunction with MPLT shall establish by regulation the home financing programs available, the criteria for borrowers to obtain financing through the programs, and the requirements placed on banks that participate in the programs. The regulations shall be published in the Commonwealth Register, and once adopted shall not be changed, suspended or modified without republication or on an emergency basis. All participants in the programs, including without limitation banks, borrowers, contractors, appraisers, inspectors, NMHC, and MPLT shall comply with all regulations duly adopted under this subsection. The regulations shall include objective criteria for evaluating and approving or disapproving loan applications, and for the collection and foreclosure of delinquent loans, and NMHC shall uniformly apply and enforce these criteria. Any person injured or aggrieved by a failure of NMHC to comply with the provisions of this subsection shall have a cause of action in the Commonwealth Superior Court.

Source: PL 10-29, § 6.