

**STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)**  
**Act 346 of 1966**

**125.1444a Rehabilitation loans, grants, or deferred payment loans; eligibility; secured or unsecured loans or grants; insurance; reserve; interest; terms and conditions; rules; persons and families of low and moderate income; maximum principal loan amounts; minimum age of structure.**

Sec. 44a. (1) The authority may make, purchase, or participate in loans, grants, or deferred payment loans to persons and families of low and moderate income to finance the rehabilitation of residential real property designed for occupancy by not more than 24 families that is owned or is being purchased by 1 or more persons or families of low and moderate income and that is for occupancy by persons or families of low and moderate income.

(2) The authority, without regard to the income of the owners or occupants of residential rental property, may make, purchase, or participate in loans, grants, or deferred payment loans for the rehabilitation of residential rental property to persons or entities owning residential rental property located in areas of chronic economic distress or moderate cost residential rental property located elsewhere in this state.

(3) A loan under this section may be secured or unsecured as determined by the authority. If the loan is unsecured, it shall be accepted for insurance under title 1 of the national housing act, 12 USC 1702 to 1706f, or another federal or private insurance program providing coverage at least equal to that provided by that title, or the authority shall establish a reserve for losses on uninsured loans made under this section and shall deposit into that reserve an amount equal to 5% of the principal amount of each such uninsured loan on or before the making of the loan. Money may be withdrawn by the authority from this reserve for application as loan repayments in connection with loans that are delinquent. In addition, upon repayment of a loan made, purchased, or participated in under this section, the authority may withdraw the amount deposited in the reserve in connection with that loan, reduced by amounts withdrawn as loan repayments in connection with the loan, and may apply the amounts to any of the authority's corporate purposes. Income or interest earned by or increment to the reserve due to the investment of the money in the reserve may, at the times determined by the authority, be transferred by the authority to other funds or accounts of the authority and applied to any of the authority's corporate purposes. A loan under this section shall bear interest at a rate and be repaid in the period, not exceeding 30 years, as determined by the authority and under additional terms and conditions as determined by the authority.

(4) A deferred payment loan or grant may be secured or unsecured as determined by the authority, and shall be made under additional terms and conditions determined by the authority.

(5) The authority shall promulgate rules that provide for the availability of loans, grants, and deferred payment loans on an equitable basis to qualified applicants in all geographic areas of this state. With respect to loans, grants, and deferred payment loans made pursuant to this section that are not based on residency in a neighborhood selected pursuant to section 22a(5), eligibility for loans, grants, or deferred payment loans shall not be based upon the number of qualified applicants in the geographic area in which the individual resides.

(6) For purposes of this section, persons and families of low and moderate income means persons and families whose family income does not exceed 175% of the statewide median gross income as determined under section 143 of the internal revenue code, 26 USC 143.

(7) The maximum principal loan amounts for residential property rehabilitation loans, exclusive of finance charges, are as follows:

(a) \$50,000.00 for a residential structure containing 1 dwelling unit.

(b) \$25,000.00 per dwelling unit for a residential structure containing 2 to 24 dwelling units.

(8) A structure is not required to be of a minimum age to be eligible for rehabilitation under this section.

**History:** Add. 1977, Act 130, Imd. Eff. Oct. 25, 1977;—Am. 1978, Act 192, Imd. Eff. June 4, 1978;—Am. 1982, Act 506, Imd. Eff. Dec. 31, 1982;—Am. 1989, Act 220, Imd. Eff. Dec. 11, 1989;—Am. 1991, Act 138, Imd. Eff. Nov. 22, 1991;—Am. 1993, Act 221, Imd. Eff. Oct. 29, 1993;—Am. 1996, Act 475, Imd. Eff. Dec. 26, 1996;—Am. 2000, Act 257, Imd. Eff. June 29, 2000;—Am. 2004, Act 549, Imd. Eff. Jan. 3, 2005;—Am. 2012, Act 344, Imd. Eff. Nov. 7, 2012.

**Administrative rules:** R 125.101 et seq. of the Michigan Administrative Code.