

URBAN HOMESTEAD ACT (EXCERPT)
Act 127 of 1999

125.2706 Disposition of rent receipts.

Sec. 6. (1) If the local governmental unit acts as the administrator under this act, the rental receipts shall be deposited in a separate fund within the general fund of the local governmental unit. If the local governmental unit contracts with a nonprofit community organization to act as the administrator under this act, the rental receipts shall be deposited in a segregated escrow account in a financial institution located in this state.

(2) Rental receipts deposited under subsection (1) shall be used to make loans to qualified buyers in that local governmental unit for the improvement, repair, or rehabilitation of property in the urban homestead program, pay the costs of the audit under section 8, and, as long as the yearly costs do not exceed 40% of the yearly rental receipts, may pay the costs associated with administering the provisions of section 4. Loans shall be made for a term not to exceed 10 years and at a rate of interest not to exceed the qualified loan rate. The administrator shall determine the terms and conditions of the loan agreement.

(3) The administrator may solicit funds from any and all sources, both public and private, for deposit into the accounts and funds described in subsection (1).

History: 1999, Act 127, Imd. Eff. July 23, 1999.

Popular name: Homesteading