

265—10.4(16) MCC procedures.

10.4(1) Applications for MCCs may be made with any participating lender. The applicant shall provide the lender with all information that is necessary to secure a mortgage loan and an MCC. An applicant must meet the eligibility requirements set out in rule 265—10.3(16). If the eligibility requirements are met, the participating lenders may nonetheless deny a loan, subject to all reporting and disclosure requirements of applicable state and federal law, for any reason premised on sound lending practices, including underwriting risk evaluation, portfolio diversification, and limitations on restrictions on investments or available funds.

10.4(2) If the loan is approved, the terms of the loan, including interest rate, length of loan, down payment, fees, origination charge and repayment schedule, shall not be greater than those available to similar customers that do not make application for an MCC. However, the lender may collect a one-time MCC commitment fee, which may be paid by the borrower, the lender, or any other party. An MCC program application fee must accompany the MCC application and be submitted to the authority by the lender. The amount of the maximum allowable MCC commitment fee shall be \$250, and the amount of the MCC program application fee shall be:

- a.* \$0 if the borrower currently uses an authority first mortgage product.
- b.* \$500 if the borrower does not currently use an authority first mortgage product.

10.4(3) No MCC will be issued unless the requirements and procedures set out in the MCC program guide are complied with by all parties to the home sale and financing.

10.4(4) An MCC may be reissued at the sole discretion of the authority if the mortgagor refinances; however, the credit cannot be taken beyond the term of the original mortgage. No MCC shall be reissued unless:

- a.* The borrower uses or continues to use the residence as its permanent, primary, principal residence; and
- b.* All other requirements and procedures set out in the authority's MCC reissuance instructions are complied with, which reissuance instructions shall be posted on the authority's website.

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