

265—45.5(16) Eligible financing.

45.5(1) Lender participation agreement. Linked deposits shall be made pursuant to a lender participation agreement to be created by the authority. If the mortgage loan is to be made by a financial institution, the lender participation agreement shall be between the authority and the financial institution. If the mortgage loan is to be made by a lender, the lender participation agreement shall be between the authority, the lender, and a financial institution.

45.5(2) Eligible loans. To be eligible for a linked deposit under the program, a mortgage loan shall meet all of the following requirements:

- a. The mortgage loan must be for the purchase of a manufactured home as the borrower's primary residence; refinancing is not eligible for the program;
- b. The manufactured home must be sited on leased land located in the state of Iowa;
- c. The term of the mortgage loan shall not exceed 30 years;
- d. The mortgage loan shall be fully amortized;
- e. The terms of the mortgage loan shall contain no prepayment penalties;
- f. The interest rate payable on the mortgage loan shall not exceed 9 percent APR;
- g. Fees charged by the financial institution or lender to cover its costs of originating the mortgage loan (closing fees, origination fees, etc.) shall, in the aggregate, not exceed 1 percent of the principal mortgage loan amount;
- h. Closing agent/settlement fees paid to third-party closers, if any, shall not exceed \$500;
- i. Customary and reasonable closing costs shall be allowed; and
- j. The financial institution or lender shall comply with all applicable fair lending laws and regulations.

[ARC 4168C, IAB 12/5/18, effective 1/9/19]