

265—45.5(16) Eligible financing.

45.5(1) *Lender participation agreement.* Linked deposits are 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 is between the authority and the financial institution. If the mortgage loan is to be made by a lender, the lender participation agreement is 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 is to meet all of the following:

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

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