

261—27.3 (15) Program eligibility.

27.3(1) Eligible applicants. Eligible applicants are those communities within the state with the greatest need, as determined by IDEED using the methodology specified by HUD, which would include the following factors: areas with the greatest percentage of home foreclosures, areas with the highest percentage of homes financed by a subprime mortgage-related loan, and areas likely to face a significant rise in the rate of home foreclosures.

27.3(2) Eligible activities. Eligible activities, as limited by federal law and regulation, are the following:

a. Financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;

b. Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;

c. Establishment and operation of land banks for homes and residential properties that have been foreclosed upon;

d. Demolition of blighted structures;

e. Redevelopment of demolished or vacant properties.

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