

**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-seconds, 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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