

**265—29.6 (16) Loan terms.** Loans made under the program shall, at a minimum, contain the following terms:

**29.6(1) *Forgivability.*** Forgivable loans made pursuant to the program shall be forgivable over a five-year period. One-fifth of the total principal amount loaned shall be forgiven following each full year the eligible resident owns the home for which the loan was made, beginning on the date of the final disbursement of forgivable loan proceeds.

**29.6(2) *Zero percent interest.*** Loans made pursuant to the program shall bear no interest.

**29.6(3) *Five-year term.*** All loans made pursuant to the program shall be for a term of five years.

**29.6(4) *Repayment due upon sale of home.*** Any principal of a forgivable loan that has not yet been forgiven at the time the home for which the forgivable loan was made is sold by the eligible resident (including property acquisitions) shall be due and payable upon such sale.

**29.6(5) *Retention agreement.*** Each loan made pursuant to this program shall be secured by a retention agreement which shall constitute a lien on the title of the real property for which the forgivable loan is made until such time as the forgivable loan has either been fully forgiven or paid in full; provided, however, that in the case of a property acquisition under the hazard mitigation grant program set forth in Iowa Code chapter 29C (or under any other comparable program implemented in whole or in part to assist in recovery from the natural disasters of 2008), payment of the following shall be waived:

*a.* That portion of the repayment due for a down payment assistance loan made under paragraph 29.5(1) “*a*” or an interim mortgage assistance loan made under subrule 29.5(2), provided that the amount so waived shall not exceed \$25,000;

*b.* That portion of the repayment due for a housing repair or rehabilitation assistance loan made under paragraph 29.5(1) “*b*” for which the eligible resident provides documentation that the assistance was expended for the purpose for which it was awarded; and

*c.* That portion of the repayment due for an energy efficiency assistance loan made under subrule 29.5(3) for which the eligible resident provides documentation that the assistance was expended for the purpose for which it was awarded.