

STATE OF MINNESOTA
MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Amendment to
Rules Relating to Home Energy Loan Program.

STATEMENT OF NEED
AND REASONABLENESS

Part 4900.0591 Eligible Borrowers.

Subpart 1. This Subpart is being amended to permit loans to borrowers for the purpose of improving manufactured or factory-made homes owned by them that are not real property. A substantial number of people living in this State live in such housing. Therefore, this amendment is necessary to permit the Agency to effectuate its policy of improving the energy efficiency of housing in Minnesota, and it is reasonable to ensure that borrowers meet the statutory requirement that they own the property to be improved.

Part 4900.0592 Eligible Properties.

Item E. This item, prior to the proposed amendment, prohibited loans to improve manufactured or factory-made houses that are not real property. Because a substantial number of people living in this State live in such housing, this prohibition is being deleted to permit loans to improve such housing.

Removing the prohibition contained in Item E is both reasonable and necessary to permit the Agency to effectuate its policy of improving the energy efficiency of housing in Minnesota.

Part 4900.0590 Definitions.

Subpart 4. Since the purpose and intent of the Home Energy Loan Program is the same as the purpose and intent of the Home Improvement Loan Program, this subpart is being amended to make the definition of persons and families of low and moderate income the same in both the Home Energy Loan Program and the Home Improvement Loan Program. It is reasonable to maintain identical income limits between the two programs because of the similarities of the borrowers and the type of assistance provided. The amendment is necessary to minimize confusion on the part of loan applicants in understanding and determining their eligibility for the programs.

The Agency is mindful of the provisions of Section 14.115 of Minnesota Statutes, entitled Small Business Considerations in Rulemaking, but since the direct recipients of the loan assistance under the rules must be natural persons, the regulation does not affect small businesses directly, and the said law, by its terms, is inapplicable to these proposed amendments to the rules. Further, to the extent that the loans which are the subject of this regulation may have an indirect effect on small businesses, the effect of the amended rule is to make energy loans more accessible to natural persons; and, as a result, the amended rule has no negative effect on small businesses.