WAC 365-175-070 What criteria must a program loan meet? (1) The loan amount may not exceed any of the following limits:

(a) Forty thousand dollars.

(b) The direct costs paid to one or more rehabilitation agency for necessary improvements, plus seven percent for administrative costs to the authorized rehabilitation agency.

(c) An amount equal to eighty percent of the assessed value of the property.

(d) An amount equal to eighty percent of the assessed value of the property minus the sum of the unpaid principal amounts of all existing loans that are secured by the property. (For example, if the assessed value of the property is $100,000 and an existing mortgage has an unpaid principal amount of $50,000, the limitation under this is $30,000, which is eighty percent of $100,000 minus $50,000.)

(2) The loan must be secured by a lien against the property that is in favor of the Washington department of commerce and subordinate to no lien other than a first mortgage or deed of trust or liens for general taxes, amounts deferred under chapter 84.37 or 84.38 RCW, or special assessments as defined in RCW 84.38.020.

(3) The loan must specify a rate of interest equal to the annual change in consumer price index for the prior calendar year. (For loans closed in calendar year 2018, the interest rate is 2.1 percent.)

(4) The loan must require repayment of principal, interest, and any administrative fee upon the sale or any other change in ownership of the property.

(5) The loan must provide the borrower with the option for early repayment without prepayment penalty.

(6) Authorized rehabilitation agencies must file lien paperwork in compliance with local recording office requirements and consistent with operating procedures approved by commerce.

[Statutory Authority: RCW 43.330.482. WSR 18-17-140, § 365-175-070, filed 8/21/18, effective 9/21/18.]