Overview

This bill creates a home ownership pilot program to give mortgage payment assistance rather than rental assistance to eligible families in the rent assistance for family stabilization (RAFS) program. The program would be administered by the Minnesota housing finance agency (MHFA) and funded by federal temporary assistance for needy families (TANF) money.

1 Home Ownership Pilot Project.

(a) Allows MHFA to give eligible families home mortgage payment assistance if funds are specifically appropriated to the agency for that purpose. Provides that eligible families must have a caretaker parent who: (1) has been employed for at least six months; (2) makes at least $16,000 in gross annualized income; and (3) agrees to participate in home ownership counseling courses.

(b) Specifies that the maximum duration of assistance is 36 months and the maximum amount is $250 a month. Provides a schedule for allocating the assistance between mortgage loan payments and contributions to an escrow account for emergencies. Provides that the balance in the emergency escrow account be transferred to the family after 36 months.

(c) Provides that MHFA may contract with a local housing organization to administer the mortgage assistance, and that MHFA may pay the local housing organization a fee of up to $40 a month per mortgage.

(d) Requires MHFA to coordinate this program with other home ownership assistance programs run by the agency. Provides that RAFS mortgage assistance can be considered an asset for meeting eligibility requirements for other programs, but not for making a participant ineligible for other programs.

2 Appropriation. Appropriates an unspecified amount from the federal TANF reserve fund in fiscal year 2000 for this program.