

TITLE 330. OKLAHOMA HOUSING FINANCE AGENCY
CHAPTER 80. HOUSING STABILITY PROGRAM

SUBCHAPTER 1. GENERAL PROVISIONS

330:80-1-1. Purpose

The purpose of the Oklahoma Housing Stability Program ("OHSP") is to:

(1) Provide financing to Increase the number of Single-Family residences available for purchase across the State of Oklahoma for individuals and families by creation of the Oklahoma Homebuilder Program and the Homebuilder Revolving Fund.

(2) Provide gap financing to aid and incentivize the production of rental housing across the State of Oklahoma by creation of the Oklahoma Increased Housing Program and the Oklahoma Increased Housing Revolving Fund.

(3) Remove the barrier to homeownership for Oklahomans caused by the lack of available funds for down payment and closing costs associated with buying a home.

330:80-1-2. Authority

The OHSP is authorized by House Bill number 1031/74 O.S., Section 2903.1-2903.5 of Title 74, as amended. Oklahoma Housing Finance Agency ("OHFA") has been designated as the State's administrative agency for purposes of administering the Housing Stability Program. When a conflict exists between these Rules and the State Statute, the State Statute shall control.

330:80-1-3. Scope

During each year, Funding may be made available to eligible Applicants for the purpose of implementing specific Activities that further the purpose of the Program, subject to funding availability.

330:80-1-4. Definitions

Masculine words, whenever used in this Chapter, shall include the feminine and neuter, and the singular includes the plural, unless otherwise specified. The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Activity" means any Development or eligible Funding Activity allowed under this Chapter's Rules.

"Affiliate" means any Person that directly or indirectly through one (1) or more intermediaries, Controls, is Controlled By, or is Under Common Control With any other Person.

"Applicant" means any Person and each Affiliate of such Person, who has submitted an Application to OHFA seeking Funding under this Chapter. Applicant includes the Owner, any other Person or entity having any right, title, or interest in the Development or Activity, and any other successors in interest.

"Application" means an Application, in the form prescribed by OHFA, from time to time, including all exhibits and other materials filed by an Applicant with OHFA in support, or in connection with Funding under this Chapter. OHFA will solicit formal public input on the Application, and provide explanation of any significant changes. Staff will present the proposed Application to the Trustees for approval at a Trustee's meeting.

"Application Packet" means the Application in the form prescribed by OHFA, together with instructions and such other materials provided by OHFA to any Person requesting the same for the purpose of seeking to obtain from OHFA any OHSP funding.

"Awardee" means any Person receiving OHSP Funding through OHFA.

"Control" (including the terms "Control" or "Controls" or "Controlling" or "Controlled by" or "Under Common Control With") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any other Person, whether through an ownership interest in the other Person, by contract, agreement, understanding, designation, office or position held in or with the other Person or in or with any other Person, or by coercion, or otherwise.

"Development" means the Land and one (1) or more buildings, structures, or other improvements now or hereafter constructed or located upon the Land. If more than one (1) building is to be part of the Development, each building must be financed under a common plan.

"Homebuilder Revolving Fund" means a fund that shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the OHFA from appropriations, donations, grants, or other sources of funding specifically designated for deposit to the Homebuilder Revolving Fund.

"Housing Stability Program Documents" "Documents" or "OHSP Documents" means and may include, but is not limited

to, the written agreement, loan agreement, promissory note, and OHSP Application Packet.

"Land" means the site(s) for each building in the Development.

"OHFA" means Oklahoma Housing Finance Agency, a State beneficiary public trust.

"OHSP Application Packet" means the Application and accompanying forms developed periodically by OHFA staff.

"OHSP Funds" "Funds" or "Funding" means any monies for the OHSP Program.

"Oklahoma Homebuilder Program" means a loan program for homebuilders at interest rates as low as zero percent (0%), providing loans to build single family housing units.

"Oklahoma Housing Stability Program" or "OHSP" or "Program" means the Oklahoma Housing Stability Program.

"Oklahoma Increased Housing Program" means a program that shall help both developers and homebuyers; developers may apply for gap financing in building both single family and multi-family homes for rent across the state. Homebuyers may apply for a grant assisting in making their down payment in purchasing a home.

"Oklahoma Increased Housing Revolving Fund" means a fund that shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the OHFA from appropriations, donations, grants, or other sources of funding specifically designated for deposit to the Oklahoma Increased Housing Revolving Fund.

"Participating lender" means any state bank, national banking association, savings and loan association, building and loan association, mortgage banker or other financial institution, or holding company thereof, or governmental agency which provides services for, or otherwise aids in, the financing of single family residences by means of mortgage loans and which is approved by OHFA.

"Person" means, without limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability company, limited liability partnership, trust, estate, association, cooperative, government, political subdivision (including, but not limited to, incorporated towns, cities, and counties, their trusts and authorities, and state trusts), agency or instrumentality, interlocal cooperative, nonprofit and for-profit organizations, Native American Tribes (including, but not limited to, housing authorities and trusts) or other organization of any nature whatsoever, and shall include any two or more Persons acting in concert toward a common goal,

or any other legally recognized entity, or any combination of the foregoing acting in concert.

"State" means the State of Oklahoma.

"State Statute" means 74 O.S., Sections 2903.1-2903.5, as amended.

"Term of Affordability" means the length of time a Development or Activity must satisfy the OHSP requirements as determined in the OHSP Application Packet.

"Trustees" means the Board of Trustees of OHFA.

330:80-1-5. Technical assistance

OHFA will designate staff members who shall be available to provide general technical assistance regarding proposed Activity concepts and OHSP Program implementation.

330:80-1-6. Compliance with applicable laws

(a) The Applicant, the Development, the Owner(s), Development Team and the Affiliates of each, must comply with all applicable federal, State and local laws, rules, regulations and ordinances, including but not limited to, the Oklahoma Landlord Tenant Act, Titles VI and VII of the Civil Rights Act of 1964, as amended and Title VIII of the Civil Rights Act of 1968, as amended. Neither the Applicant, the Owners(s), the Development Team nor the Affiliates of each shall discriminate on the basis of race, creed, religion, national origin, ethnic background, age, sex, familial status, or disability in the lease, use or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and/or management of any Development. Owners(s) of a Development will be required to covenant and agree in the regulatory agreement to comply fully with the requirements of the Fair Housing Act as it may from time to time be amended, for the time period promised in the Application.

(b) Any awards by OHFA are subject to compliance with all applicable federal and State laws and all rules and regulations promulgated thereunder and all local ordinances, rules and regulations applicable to the Development, its financing, or any portion or aspect thereof.

(c) The Applicant and all members of the Development team and the Affiliates of each must be in compliance with, and good standing under, any OHFA program in which any may participate.

SUBCHAPTER 3. FUNDS

330:80-3-1. Funds distribution

(a) OHFA's Board of Trustees shall award Funds through a formal Application process. Submission requirements for Applications will be developed and amended periodically by OHFA's Board of Trustees and described in the published OHSP Application Packet.

(b) OHSP Funds will be awarded according to the State Statute, this Chapter's Rules, and the OHSP Application Packet.

330:80-3-2. Funding activities

Eligible Funding Activities may include, but are not limited to:

- (1) New construction of rental and homeownership units.
- (2) Down payment and/or closing costs assistance for eligible homebuyers.
- (3) Costs to administer the program.
- (4) Other activities related to housing.

330:80-3-3. Award of funds

OHFA's Board of Trustees will make awards of OHSP Program Funds to Activities located throughout the State. Any funding priorities will be established in the Application Packet. 75% of the funds will be set-aside for proposed developments located in Non-Metropolitan Statistical Areas or rural areas as defined by the US Dept of Agriculture (rural areas) and the remaining 25% of the funds will be set-aside for proposed developments located in Metropolitan Statistical Areas (urban areas).

330:80-3-4. Forms of assistance

Funding may be in the form of either grants or collateralized below market rate loans. The maximum amounts will be established in the OHSP Application Packet. OHFA's Board of Trustees reserves the right to adjust loan maximums and terms based on the availability of Funds and the most efficient and practical utilization of available resources.

330:80-3-5. Terms and conditions

The terms for all awards made shall be subject to the specific requirements of any given Application. The terms will be established in the OHSP Application Packet.

330:80-3-6. Affordability for OHSP funding

Housing funded by this program may be subject to a Term of Affordability for a specific period as established in the Application. Affordability periods may be secured by deed restrictions, covenants running with the land, or other forms.

330:80-3-7. Allocation of OHSP program funds

(a) From time to time Funds may become available as the result of:

- (1) Activity cancellations;
- (2) Activities completed under original cost estimates;
- (3) Loan pay-offs;
- (4) Other circumstances;
- (5) Accrued interest income.

(b) In keeping with the State Statute, this Chapter's rules, and the OHSP Application Packet, OHFA shall allocate these Funds to eligible Activity proposals.

SUBCHAPTER 5. APPLICATIONS AND SELECTION

330:80-5-1. Application timing

Applications for Funding shall be accepted based on deadlines or processes in the Application Packet. Awards will be subject to Funds availability, and the full satisfaction of all key Application requirements. OHFA reserves the right to suspend acceptance of Applications at any time.

330:80-5-2. Applications

Eligible Applicants seeking OHSP Funds for the purposes of development must submit an Application in the form prescribed in the OHSP Application Packet. All Applications will be required to contain sufficient information to permit OHFA to conduct a review, assessment, and selection as described in the OHSP Application Packet. Homebuyers seeking funding from OHSP for down payment and closing cost assistance must apply to an OHFA Participating Lender.

330:80-5-3. OHSP Application Packets

(a) OHSP Application Packets may include, but not be limited to, information such as Activity descriptions, timelines and schedules, demonstration of financial capacity, Activity evaluation criteria, and Activity budgets.

(b) Applications shall be required for all Funding requests.

330:80-5-4. Application selection

For the purpose of selecting Applications for assistance, OHFA shall use criteria established in the OHSP Application Packet.

SUBCHAPTER 7. PROGRAM ADMINISTRATION

330:80-7-1. Program violations

The following are violations of the Housing Stability Program:

(1) The filing of false information in an Application and/or any report;

(2) **Failure of an Applicant and/or Awardee to meet requirements of the State Statute, and/or Chapter 80 Rules and/or the Application Packet;**

(3) Deviation from any OHSP Documents;

(4) Notice by OHFA that significant corrective actions are necessary and that those corrective actions are not or cannot be affected within a reasonable time, in the judgment of OHFA staff;

(5) An administrative or judicial determination that an Applicant and/or Awardee has committed fraud, waste, or mismanagement in any current or prior Activity, or federal or State program.

330:80-7-2. Corrective and remedial actions

(a) Under any of the circumstances previously described as violations during any stage in the process OHFA may, but is not limited to, take the following actions:

(1) Condition OHSP Documents;

(2) Withhold Funds;

(3) Reduce the total amount of the award;

(4) Require immediate return of unexpended Funds;

(5) Require immediate repayment of all Funding provided by the OHSP;

(6) Cancel an award and recover (through all available legal measures) all Funds expended in an ineligible manner prior to the date of notice of cancellation;

(7) Deny future Program Applications and participation for a specified period of time as determined by OHFA;

(8) Debarment from the Program;

(b) Additionally, OHFA reserves the right under circumstances of possible Program violations to request information regarding:

(1) The administrative, planning, budgeting, management, and evaluation function actions being taken to correct or remove the cause of the Program violation(s);

(2) Any activities undertaken that were not in conformance with the approved Program or Application process, or that are in non-compliance with applicable laws or rules;

(3) The Applicant and/or Awardee capacity to carry out the approved or proposed Program in a timely manner; and,

(4) Progress schedules for completing approved or

proposed activities.
(c) Prior to OHFA taking any corrective and/or remedial actions, OHFA, may, in its sole discretion, issue a notice of show cause hearing. The Applicant and/or Awardee shall have seven (7) business days to appear and show cause as to why the corrective and/or remedial actions should not be taken. This language shall not be construed as a limitation on the compliance monitoring and reporting requirements of the OHSP Program and these Chapter 80 Rules.

330:80-7-3. Awardee responsibilities

- (a) An Awardee under the OHSP shall be responsible to:
- (1) Comply with the terms of the OHSP Documents and shall have the responsibility to ensure that any subcontractors also perform their tasks in compliance with all of the OHSP documents and agreements. The Awardee shall ensure that all equipment suppliers or materialmen of any sort whatsoever shall install the items or equipment they contracted to provide and that said items or equipment is properly installed and works up to contractual requirements, or works as reasonably expected under the circumstances, and provide installation or labor up to contractual standards or as is reasonably expected under the circumstances.
 - (2) Comply with all State Statutes, these OHSP rules, and any OHSP Documents that may be released by OHFA from time to time.
 - (3) Maintain records and accounts, including, but not limited to property, personnel, and financial records that properly document and account for all Funds. OHFA may require specific types and forms of records. All such records and accounts shall be made available upon request by OHFA for the purpose of inspection and use in carrying out its responsibilities for administration of the Funds.
 - (4) Retain all books, documents, papers, records, and other materials involving all activities and transactions related to the award of the OHSP Funds for at least three (3) years from the date of substantial completion of any development awarded with OHSP funds, or until any audit findings have been resolved, whichever is later, if applicable. As often as deemed necessary by OHFA, shall permit OHFA to have full access to and the right to fully examine all such materials.
 - (5) Promptly return to OHFA, any Funds received under its OHSP Documents that are not obligated as of the final date of the OHSP Documents. Funds shall be obligated

only if goods and services have been received as of the final date of the OHSP Document period.

(6) Comply with all applicable State requirements.

(b) OHFA may require a special narrative and/or financial reports in the forms and at such times as may be necessary or required by OHFA. OHFA may require audits pertaining to Awardee as necessary.

330:80-7-4. Review and appeals process and Board of Trustees' discretion

(a) Upon completion of its review of all Applications, OHFA will forward OHFA's preliminary Review Report to the contact person identified by the Applicant in the Application.

(b) The Applicant must provide OHFA with any information requested by OHFA in the preliminary Review Report or other clarifying information by the deadline given in the cover letter accompanying the preliminary Review Report. Neither the Staff nor the Trustees will be required to consider a late response to the preliminary Review Report.

(c) In the event the Applicant disputes any matter contained in the preliminary Review Report, including without limitation any finding, determination, recommendation or scoring by OHFA, the Applicant's response to the Review Report must identify with specificity the disputed matter, finding, determination, recommendation, scoring, etc., and the Applicant's reason for disputing same, including any evidence which controverts the Review Report. Any applicable statutes, rules, regulations or ordinances should be cited. Documentary evidence should be attached.

(d) Failure to respond or dispute a finding or determination in the preliminary Review Report shall be deemed the acceptance of the finding or determination by the Applicant.

(e) The Applicant's response to the preliminary Review Report must be in a form as prescribed in the Application Packet.

(f) The Staff of OHFA will consider the Applicant's response to the preliminary Review Report prior to issuing the final Review Report and making its recommendations to the Trustees. The Applicant will be informed of Staff's recommendations prior to the meeting of the Trustees where the Application is being considered. OHFA will forward OHFA's final Review Report to the contact person identified by the Applicant in the Application.

(g) The final Review Report may be adopted by the Trustees, including Staff's recommendations and exclusion of any additional documentation proffered by the Applicant for consideration of the Application by the Trustees.

(h) In the event the Applicant disputes any matter contained in the final Review Report, Applicants must file ten (10) copies of any response(s) to the final Review Report or other information they wish the Trustees to consider not less than five (5) business days prior to the commencement of the meeting where the Application will be considered. In addition to the hard copies, Applicants must submit an electronic version of the response. If both the hard copy and the electronic version are not received, the responses will not be accepted or considered by the Staff or the Trustees.

(i) The Trustees may in their sole discretion allocate Funds to an Activity if the Activity is determined by the Trustees to be in the interests of the State.

(j) A decision by the Trustees will constitute a final order.

330:80-7-5. OHFA's responsibilities

(a)OHFA's responsibilities will include, but not be limited to, the following:

(1) Obtain a valid Certificate(s) of Occupancy.

(2) Perform physical inspection of 100% of the OHSP Developments/units according to inspection standards as set forth in the Application. Owner must allow OHFA to perform inspections throughout the construction period for all Developments.

(3) File deed restrictions, covenant running with land or other forms approved by OHFA ensuring the Term of Affordability, if applicable.

(4) Notify in writing the Awardee if staff discovers that the Activity does not comply with the OHSP Rules. In such event, a correction period to supply missing documentation or to correct noncompliance may be allowed.

(b)OHFA will recover the costs of actual expenditures associated with the administration of the Housing Stability Program, including the recovery of indirect costs using the indirect cost rate approved by OHFA's cognizant agency, from appropriations designated for administrative fees, including interest earned on administrative fees.