

TO BE RESCINDED

175-1-02 **Purpose and scope.**

(A) Public purpose of the agency.

- (1) The Ohio housing finance agency was created in compliance with Section 14 of Article VIII of the Ohio Constitution and under the provisions of Chapter 175. of the Revised Code (the "Ohio act").
- (2) It is the purpose of the agency to finance the acquisition, construction, rehabilitation, remodeling, and improvements of multifamily dwelling units, and owner-occupied single-family housing. This is accomplished through the sale of revenue bonds, the proceeds of which provide funds for construction loans and mortgage loans to eligible borrowers at below-market interest rates.
- (3) Additionally, the agency administers a number of programs designed to increase and improve housing opportunities in the state through its housing offices.

The powers of the agency are vested in a nine-member board; the director of development and director of commerce for the state of their designees and seven public members appointed by the governor with the advice and consent of the senate.

- (4) Prior to the issuance of obligations to provide financing for any project, the agency must make a finding that financing of such project will promote the public purpose set forth in division (B) of section 175.09 of the Revised Code.

(B) Scope of the agency

- (1) The Ohio act authorizes the agency to issue its bonds for the purpose, among others, of providing financing for privately owned multifamily rental projects. The agency desires to assist owners to finance and build safe, decent, sanitary, and well-designed projects and shall monitor post-construction activities to ensure that they are well-managed and well-maintained multi-unit housing for Ohio's citizens. The agency has adopted the rules in this chapter to set forth the general requirements and procedures applicable to the financing of such projects by the agency.
- (2) The bonds issued by the agency are limited obligations of the agency payable solely from the revenues provided by mortgage payments, nonmortgage investments (e.g., reserve funds), insurance proceeds, or external credit supports. Under no circumstances do the bonds constitute an indebtedness,

liability, general or moral obligation, or a pledge of the faith and credit or any taxing power of the state of Ohio or any political subdivision of the state.

- (3) The rules in this chapter apply to specific projects for which an applicant requests the agency to issue obligations to provide financing, and consequently do not apply to any obligations issued by the agency for the purpose of making or acquiring home mortgages (as defined in the Ohio act), or for making loans to lending institutions for the purpose of making or acquiring home mortgages.
- (4) The agency may waive specific provisions of the rules in this chapter where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the agency, subject to applicable provisions of the Revised Code and Internal Revenue Code.
- (5) The rules in this chapter may be enacted, amended, or rescinded by the agency at any time, and from time to time, subject to the provisions of Chapter 119. of the Revised Code, unless the rule falls within the exemption in division (f) of section 175.02 of the Revised Code, in which case such rules may be enacted, amended, or rescinded by the agency at any time, and from time to time, with or without notice.
- (6) The agency shall not issue obligations to provide financing for any project unless the owners have satisfied the general requirements set forth in the rules in this chapter. The agency reserves the right to impose additional specific requirements with respect to any particular project. Compliance with the rules in this chapter by an applicant does not and shall not create any right by such applicant to a commitment or assurance that financing will be provided by the agency.

(C) Location of projects

The agency shall not issue obligations to provide financing for any project unless such project is located within the boundaries of the state of Ohio.

Effective:

R.C. 119.032 review dates: 12/29/2003

Certification

Date

Promulgated Under: 119.03
Statutory Authority: 175.02
Rule Amplifies: 175.04, 175.06
Prior Effective Dates: 12/29/1987, 8/09/1993