



ADMINISTRATIVE RULES OF MONTANA



8.111.806 MHT-MFHP LOAN TERMS AND CONDITIONS

- (1) A MHT-MFHP loan shall:
 - (a) provide for complete amortization at maturity through substantially equal monthly payments of principal and interest;
 - (b) have an amortization period not to exceed 40 years and a term not to exceed 30 years, both as approved by the board based upon the loan amount, additional project funding sources and obligations, and other relevant factors;
 - (c) be subject to a late charge of 4% of the monthly payment due for each monthly payment that is not made within 15 days of its due date;
 - (d) be secured by a first priority mortgage or trust indenture on the project property; and
 - (e) not exceed 95% of total development cost.
- (2) The board and the MHT-MFHP loan recipient must each pay half of the loan servicing fees as determined by the board.
- (3) A MHT-MFHP loan shall bear interest at an annual rate as approved by the board.
- (4) At least 75% of the project units or lots must be targeted to residents at or below 95% of area median income.
- (5) Maximum rents must apply to project units or lots.
 - (a) For projects consisting of mobile home parks, land trusts, or land for mobile or manufactured homes, maximum rents must be reasonable and affordable to prospective residents, as determined by the board based upon the documentation and explanation submitted by the applicant and other relevant information obtained by the board.
 - (b) For other projects, maximum rents will be calculated according to income targeting standards applicable to the housing credit program. Details of the income targeting standards for the housing credit program may be obtained by contacting the board by mail at P.O. Box 200528, Helena, Montana 59620-0528, by telephone at (406) 841-2840, or at the board's website, www.commerce.mt.gov/housing.
 - (c) As a condition of the loan, the project owner must commit to the income targeting and maximum rent requirements and restrictions in accordance with (3) and (4), and related transfer, compliance and enforcement restrictions, through execution and recording of a regulatory agreement establishing such provisions as covenants running with the project property for the longer of thirty years or the duration of the loan obligation. The board may waive such requirement if the project is subject to a substantially similar agreement in favor of the board under another board loan program.

- (6) The board may approve MHT-MFHP loans:
- (a) to provide permanent financing, with loan closing and disbursement occurring after completion of construction and three months of stabilized occupancy; or
 - (b) on a case-by-case basis, to provide financing prior to completion of construction, where the applicant demonstrates and the board finds additional public benefit from such financing compared to funding from other existing and available funding sources with substantially similar terms and conditions. Public benefits may include project financial feasibility or providing for an increased number of affordable housing units. As a condition of approving such pre-construction financing, the board may require additional security, risk management measures, and other loan terms. These additional terms may include additional collateral and third-party construction and disbursement monitoring obtained or provided and paid for by the borrower, investor, or other lender.

Authorizing statute(s): 90-6-136, MCA

Implementing statute(s): 17-6-308, 90-6-137, MCA

History: NEW, 2019 MAR p. 1631, Eff. 9/21/19; AMD, 2023 MAR p. 1405, Eff. 10/21/23; AMD, 2025 MAR, Notice No. 2025-345, Eff. 11/8/25.