

(3) providing homebuyers with financial management assistance;

(4) assisting homebuyers in understanding mortgage transactions and home sales contracts; and

(5) assisting homebuyers with eliminating any credit problems that may prevent the homebuyers from purchasing the property.

**(c) Eligibility requirements**

Deferred payment loans secured by second mortgages may be provided under the model program under this section if—

(1) the homebuyer assisted is a first-time homebuyer;

(2) the property secured by the second mortgage is a single-family residence and is the principal residence of the homebuyer; and

(3) the principal obligation of the deferred payment loan secured by a second mortgage does not exceed 30 percent of the acquisition price of the residence to the homebuyer.

**(d) Payment terms**

**(1) Period of deferral**

The payment of any principal and interest on a loan under this section shall be deferred for not less than the 5-year period beginning on the date of the acquisition of the residence by the homebuyer.

**(2) Interest rate**

The interest rate on the unpaid balance of a loan under this section shall be at least 4 percent.

**(3) Repayment period**

A deferred payment loan secured by a second mortgage shall be repayable over the 15-year period beginning at the end of the deferral period.

**(e) Security**

A deferred payment loan assisted with amount<sup>1</sup> provided under a grant under this section shall be secured by a lien on the property involved, which lien shall be subordinate to the first mortgage on the property.

(Pub. L. 101-625, title II, §258, Nov. 28, 1990, 104 Stat. 4123.)

**§ 12809. Rehabilitation of State and local government in rem properties**

**(a) In general**

The Secretary shall make available a model program under which States and units of general local government may convert in rem properties to provide affordable permanent housing for the homeless by leasing such properties to nonprofit organizations and permitting such organizations to rehabilitate the properties.

**(b) Target**

The program shall target vacant properties for rehabilitation by nonprofit organizations.

(Pub. L. 101-625, title II, §259, Nov. 28, 1990, 104 Stat. 4124.)

<sup>1</sup> So in original. Probably should be “amounts”.

**§ 12810. Cost-saving building technologies and construction techniques**

**(a) In general**

The Secretary shall make available a model program to utilize cost-saving building technologies and construction techniques for purposes of providing homeownership and rental opportunities under this subchapter.

**(b) Selection criteria**

The Secretary shall establish criteria for participating jurisdictions to select projects for assistance under the model program which may include—

(1) the extent to which innovative, cost-saving building and construction technologies are utilized;

(2) the extent to which innovative, cost-saving construction techniques are utilized;

(3) the extent to which units will be made available to low-income families and individuals;

(4) the extent to which non-Federal public or private assistance is utilized; and

(5) any other factor, determined by the Secretary to be appropriate.

**(c) Guidelines**

The Secretary shall publish guidelines for the model program under this section not later than 180 days after October 28, 1992.

**(d) Report**

The Secretary shall submit a biennial report to the Congress on the utilization of the model program under this section.

(Pub. L. 101-625, title II, §260, as added Pub. L. 102-550, title II, §216, Oct. 28, 1992, 106 Stat. 3760.)

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section applicable to unexpended funds allocated under subchapter II of this chapter in fiscal year 1992, except as otherwise specifically provided, see section 223 of Pub. L. 102-550, set out as an Effective Date of 1992 Amendment note under section 12704 of this title.

**PART E—OTHER ASSISTANCE**

**Editorial Notes**

**CODIFICATION**

Pub. L. 108-186, title I, §102, Dec. 16, 2003, 117 Stat. 2686, amended heading generally. Prior to amendment, heading read “Mortgage Credit Enhancement”.

**§ 12821. Omitted**

**Editorial Notes**

**CODIFICATION**

Section, Pub. L. 101-625, title II, §271, Nov. 28, 1990, 104 Stat. 4124; Pub. L. 108-186, title I, §102, Dec. 16, 2003, 117 Stat. 2686; Pub. L. 111-8, div. I, title II, §229(4), Mar. 11, 2009, 123 Stat. 978, which related to downpayment assistance toward the purchase of single family housing, was omitted from the Code upon the expiration of Secretary's authority on Dec. 31, 2011, to make grants to participating jurisdictions to assist low-income families to achieve homeownership.