

**Rules of
Department of Economic
Development**

**Division 170—Missouri Housing
Development Commission
Chapter 3—Approved Mortgagor of
Multiunit Housing**

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**Title 4—DEPARTMENT OF
ECONOMIC DEVELOPMENT
Division 170—Missouri Housing
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Chapter 3—Approved Mortgagor
of Multiunit Housing**

4 CSR 170-3.010 Approved Mortgagor

PURPOSE: This regulation is formulated in order to provide a framework for the regulatory control of approved mortgagors, so as to best carry out the public purposes of the State Housing Law and prevent any potential abuses. Requiring the mortgagor to be approved by the commission is intended to afford continuity and encourage local ownership under Missouri law, while at the same time implementing the statutory limitations on profits and gains. This regulation is intended to carry out the provisions of section 215.010(1), (6) and (9), RSMo which defines the terms approved mortgagor, limited dividend corporation and nonprofit corporation.

(1) The term approved mortgagor shall include those persons and entities specified in section 215.010, RSMo, and other applicable laws of Missouri, which are—

(A) Acting or formed primarily for the purpose of providing residential housing at low and moderate rentals for low and moderate income families under regulations and standards adopted by the commission;

(B) Regulated as to rents, sales, charges, capital structure, rate of return and methods of operation in the form and manner as the Missouri Housing Development Commission (MHDC) deems necessary to effectuate the purposes of the state housing law and these regulations; or

(C) When the MHDC purchases a participation interest in the first mortgage loan originated by another lender, the participation loan shall be regulated only as to rents, sales charges, capital structure and methods of operation in the form and manner as the MHDC deems necessary to effectuate the purposes of the state housing law and these regulations.

(2) A nonprofit mortgagor shall be a nonprofit corporation incorporated pursuant to provisions of the General Not-For-Profit Corporation Law of Missouri or a *pro forma* decree corporation, which is organized for purposes other than the making of profit or gain for itself or persons identified with it and which the MHDC finds is neither controlled by nor under the direction of persons or firms seeking to derive profit or gain from the project. The mortgagor shall be formed

for the purpose of providing residential housing at low and moderate rentals for low and moderate income families under the regulations and standards of the State Housing Law of Missouri and shall be subject to regulations or supervision, such as rents, sales, charges, capital structure and methods of operation, as the MHDC deems necessary to effectuate the purpose of the State Housing Law of Missouri and these regulations.

(3) A limited dividend corporation shall be a corporation incorporated pursuant to the provisions of the General Corporation Law of Missouri and limited as to its dividends and earnings pursuant to section 215.090, RSMo. The mortgagor shall be formed for the purpose of providing residential housing at low and moderate rentals for low and moderate income families under the regulations and standards of the state housing law of Missouri and shall be subject to regulation or supervision, such as rents, sales, charges, capital structure and methods of operation, as the MHDC deems necessary to effectuate the purpose of the State Housing Law of Missouri and these regulations.

(4) A limited dividend approved mortgagor as specified in section 215.090, RSMo shall be an approved mortgagor pursuant to section 215.010(1)(a), RSMo, which is—

(A) Acting or formed primarily for the purpose of providing residential housing at low and moderate rentals for low and moderate income families under regulations and standards adopted by the commission; and

(B) Regulated as to rents, sales, charges, capital structure, rate of return and methods of operation in a form and manner as the MHDC deems necessary to effectuate the purposes of the State Housing Law and these regulations.

AUTHORITY: Chapter 215 and sections 215.010(1), (6) and (9), 215.030(12) and (19) and 215.090, RSMo 1986. Original rule filed Nov. 18, 1971, effective Nov. 28, 1971. Amended: Filed Dec. 22, 1975, effective Jan. 1, 1976. Amended: Filed Feb. 5, 1982, effective June 7, 1982. Amended: Filed Dec. 16, 1985, effective March 24, 1986. Amended: Filed Dec. 30, 1987, effective March 25, 1988.*

**Original authority: Chapter 215 (see Revised Statutes of 1986 and 1991); 215.010(1), (6) and (9), RSMo 1969, amended 1974, 1982, 1985; 215.030(12) and (19), RSMo 1969, amended 1974, 1982, 1985, 1989; and 215.090, RSMo 1969, amended 1974, 1985 and 1989.*