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PERMANENT ADMINISTRATIVE ORDER

OHCS 33-2026

CHAPTER 813

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

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ARCHIVES DIVISION SECRETARY OF STATE & LEGISLATIVE COUNSEL

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RULES:
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AMEND: 813-060-0005

REPEAL: Temporary 813-060-0005 from OHCS 19-2026

RULE TITLE: Purpose and Objectives

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: To establish the Older Adult Housing Program (OAHP) purpose and objectives.

RULE TEXT:
(1) OAR chapter 813, division 60, is promulgated to carry out the provisions of ORS 456.515 to 456.720 as they pertain to the administration by the Housing and Community Services Department (Department) of the Older Adult Housing Program (OAHP). These rules and the related determinations and orders of the department constitute the Department's Older Adult Housing Program. The purpose of the program is to support the expansion of accessible, affordable housing through state subsidies that enable older Oregonians to age in place.

(2) The department shall administer OAHP to support the development of affordable rental housing for older adults with an emphasis on serving older adults with disabilities and to prioritize visitability and accessibility.

STATUTORY/OTHER AUTHORITY: ORS 456.555, HB 3589 (2025)

STATUTES/OTHER IMPLEMENTED: ORS 456.555, HB 3589 (2025)

AMEND: 813-060-0010

REPEAL: Temporary 813-060-0010 from OHCS 19-2026

RULE TITLE: Definitions

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: To establish the Older Adult Housing Program (OAHP) definitions.

RULE TEXT:
As used in these rules, unless otherwise indicated by the context:
(1) “Accessible” means that the housing complies with federal accessibility guidelines implementing the Fair Housing Amendments of 1988, 42 U.S.C. 3601 et seq., as amended and in effect on January 1, 2004
(2) “ADA Accessible unit” is a residential space built to comply with the Americans with Disabilities Act (ADA) Standards for Accessible Design, ensuring accessibility for individuals with disabilities.
(3) “Agreement documents” means the funding documents, the final form of which is satisfactory to OHCS, in consultation with the Oregon Department of Justice, and executed in connection with the loan and contract.
(4) “Allocation” means any OAHP funding allocated under the Oregon Centralized Application (ORCA), an OHCS procurement opportunity, or an ARH Notice of Funding Availability.
(5) “Annual rate” means the yearly interest rate specified on the note, and not the annual percentage rate, if any, disclosed to the applicant to comply with the federal Truth in Lending Act.
(6) “ANSI Type A unit” is a dwelling unit designed to meet specific ANSI/IBC criteria for mobility-friendly features.
(7) “Applicants” means persons or entities submitting an application for OAHP funds.
(8) “Bonds” means a bond, as defined in ORS 286A.001, if issued on behalf of the Housing and Community Services Department, or bonds, as defined in ORS 456.055, if issued by a housing authority.
(9) “Finance charge” means the total of all interest, loan fees, interest on any loan fees financed by the lending institution, and other charges related to the cost of obtaining credit.
(10) “Lending institution” means any insured institution, as that term is defined in ORS 706.008, any mortgage banking company that maintains an office in this state or any community development corporation that is organized under the Oregon Nonprofit Corporation Law.
(11) “Local government” means any city, county or metropolitan service district formed under ORS chapter 268 or an association of local governments performing land use planning functions under ORS 195.025 (as defined by ORS 197.015).
(12) “Major life activity” includes but is not limited to self-care, ambulation, communication, transportation, education, socialization, employment, and the ability to acquire, rent, or maintain property.
(13) “Market study” means a professional analysis of the demand for a proposed housing development within a defined market area which evaluates whether there is a viable market for the project, what price points or rent levels potential tenants would be able to afford, and how the development fits into the surrounding community.
(14) “New” means that the housing being constructed did not previously exist in residential or non-residential form. New does not include the acquisition, alteration, renovation or remodeling of an existing structure.
(15) “Nonprofit corporation” means a corporation that is exempt from income taxes under section 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2023.
(16) “Older adults” are defined as people aged 55 years and older.
(17) “Person with a disability” means a person who has a physical or mental impairment that substantially limits one or more major life activities.
(18) “Preservation project” means housing that was previously developed as affordable housing with a contract for rent assistance from the United States Department of Housing and Urban Development or the United States Department of Agriculture and that is being acquired by a sponsoring entity.

(19) “Procorem WorkCenter” is a secure portal technology solution by ProLink Solutions™ and is used by OHCS to help facilitate collaboration and communication models for all applicants and future housing partners. The Procorem WorkCenter includes a repository for electronic document submission, a task management and tracking tool, an events calendar, and communication features.
(20) “Qualified loan” means a loan that meets the criteria stated in subsection 5 of HB 3589 or that is made to refinance a loan that meets the criteria described in subsection 5 of HB 3589, or the purchase by a lending institution of bonds, the proceeds of which are used to finance or refinance a loan that meets the criteria described in subsection 5 of HB 3589.
(21) “Universal design” means designing environments to be usable by everyone to the greatest extent possible, without the need for adaptation or specialized design.
(22) “Visitable” means capable of being approached, entered and used by individuals with mobility impairments, including but not limited to individuals using wheelchairs.

STATUTORY/OTHER AUTHORITY: ORS 456.555, HB 3589 (2025)

STATUTES/OTHER IMPLEMENTED: ORS 456.555, HB 3589 (2025)

AMEND: 813-060-0020

REPEAL: Temporary 813-060-0020 from OHCS 19-2026

RULE TITLE: Older Adult Housing Program Manual

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: To amend and include the Older Adult Housing Program (OAHP) program manual.

RULE TEXT:
(1) Additional guidance, including eligibility, affordability and funding terms, application process, and program requirements, is outlined in the OAHP Manual dated July13, 2026, incorporated into and adopted as part of this division of administrative rules by reference.
(2) The manual may be accessed online at OHCS's website.

STATUTORY/OTHER AUTHORITY: ORS 456.555, HB 3589 (2025)

STATUTES/OTHER IMPLEMENTED: ORS 456.555, HB 3589 (2025)

NOTE: Attachments referenced are attached to this document. You may view the attachment 813-060-0020.pdf from the Attachments panel. Alternately, you may view the attachments at the following link: https://secure.sos.state.or.us/oard/viewAttachment.action?ruleVrsnRsn=341075

REPEAL: 813-060-0025

REPEAL: Temporary 813-060-0025 from OHCS 19-2026

RULE TITLE: Loan Security

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0025 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
Notwithstanding any other provision contained in the Program rules, the Department shall not disburse funds for a loan until:
(1) The loan is secured by a fully executed trust deed note and first lien trust deed or other evidence of security; and
(2) The Eligible Borrower has satisfied all conditions contained in a Commitment.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0030

REPEAL: Temporary 813-060-0030 from OHCS 19-2026

RULE TITLE: Eligible Disabled Housing Projects

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0030 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) The Department shall evaluate each Project for consistency with the Department's interpretation of sound architectural design and prudent underwriting standards, as established in OAR 813-060-0031.
(2) In order to qualify for a loan, a Project shall:
(a) Be approved by the Department with respect to site; location; market demand; financial feasibility; qualifications of general contractor, management agent, and developer; appraisal; financial strength and credit a worthiness of the Eligible Borrower; management plan; final architectural package; Eligible Borrower's organizational documents; American Land Title Association (ALTA) title report; and any other information the Department shall require;
(b) Meet all applicable federal, state and local land use and zoning requirements, housing codes, licensing, and similar requirements;
(c) Be in compliance with federal regulations, state statutes and Program rules;
(d) Be located in the State of Oregon; and
(e) Remain affordable in terms of the loan documents.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0031

REPEAL: Temporary 813-060-0031 from OHCS 19-2026

RULE TITLE: Standard Underwriting Criteria

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0031 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
In approving or disapproving any loan application, the Department and the Housing Stability Council shall consider, in addition to requirements elsewhere stated in the Program rules, the following criteria:
(1) The location of the Project site, including its proximity to transportation, shopping, social, commercial and recreational facilities, medical services, and such other facilities and services as shall best serve the prospective residents;
(2) Financial feasibility of the Project;
(3) Availability of street, sewer, water, utilities and other public services;
(4) Availability of public and private transportation;
(5) Architectural design, including aesthetic quality, soundness of construction, energy efficiency, and suitability to the needs of the residents to be served;
(6) Compliance with applicable local comprehensive plan and land use regulations;
(7) Market demand;
(8) The financial strength, credit reputation and history of the Eligible Borrower; and
(9) The experience of the developer, contractors, architects, consultants and management agent in developing, constructing and operating housing projects.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0032

REPEAL: Temporary 813-060-0032 from OHCS 19-2026

RULE TITLE: Manufactured Dwelling Park Projects

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0032 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) To qualify as a Manufactured Dwelling Park, the Project shall comply with the following standards and conditions:
(a) Site, design and licensing standards of the local government;
(b) Regulations of the Building Codes Division, State of Oregon, OAR 918-600-0010 to 918-600-0110;
(c) All manufactured dwellings shall have skirting, unless the home is set on a ground level foundation. If the manufactured dwelling is purchased after September 4, 1984, the design, color and texture of the skirting shall appear to be an integral part of the adjacent exterior wall of the manufactured dwelling;
(d) All manufactured dwellings purchased after September 4, 1984, shall have a roof with a non-reflective surface at a minimum slope of two inches in 12 inches (16 percent);
(e) The area occupied by the manufactured dwelling and any accessory buildings (including porches, carports, etc.) shall not exceed 40 percent of the lot area; and
(f) All manufactured dwellings shall be installed in compliance with the State of Oregon, Building Codes Division regulations. Installation inspections shall be completed by the Building Codes Division, or by a city or county which has contracted to do the inspections. A copy of the final inspection report shall be submitted to the Department together with a copy of a certificate of occupancy.
(2) The Borrower shall establish rules for the residents of the Project, to be a required part of each resident's lease. The rules and lease shall be submitted for the Department's review and approval as part of the proposal.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0036

REPEAL: Temporary 813-060-0036 from OHCS 19-2026

RULE TITLE: Interim Loans

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0036 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) The Department may from time to time make available funds for construction, acquisition and/or rehabilitation, or other financing of Disabled Projects, for a term not to exceed five years.
(2) Notwithstanding any other requirements of OAR chapter 813, division 060, the Department may, as funds are available, solicit applications for the use of such funds. Application shall specify in writing any terms and conditions of the available funds, as well as criteria or priorities the Department shall use to evaluate and select applications for funding.
(3) The Department shall evaluate application received in accordance with Program policies and priorities approved by the Housing Stability Council, and with applicable requirements of OAR chapter 813, division 60.

STATUTORY/OTHER AUTHORITY: ORS 90.800 - 90.840, 91.886, 456.515-456.723, 458.210 - 458.650

STATUTES/OTHER IMPLEMENTED: ORS 456.515 - 456.720

REPEAL: 813-060-0038

REPEAL: Temporary 813-060-0038 from OHCS 19-2026

RULE TITLE: Approved Housing Borrowers

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0038 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) To be eligible to receive a loan, an Eligible Borrower shall comply with the terms contained in the Commitment issued by the Department and the conditions of eligibility as set forth in these rules.
(2) Any entity may apply to become an Eligible Borrower.
(3) To help the Department evaluate the financial strength of an Eligible Sponsor Borrower to develop, own, maintain and manage a Project, the Eligible Borrower shall submit financial statements, credit reports and any other documents requested by the Department in accordance with the provisions of the Equal Credit Opportunity Act as it relates to the Department.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0040

REPEAL: Temporary 813-060-0040 from OHCS 19-2026

RULE TITLE: Processing Procedures

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0040 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) Before accepting a project for the application process, the prospective Borrower shall submit an application to the Department on forms acceptable to the Department. If the Project meets the Program requirements, an application conference with the prospective Borrower shall be scheduled. At the conference, the Department may discuss, but is not limited to discussing:
(a) Type of loan requested;
(b) Type and formation of prospective Borrower's company (sole proprietorship, partnership, corporation, nonprofit, etc.) and qualifications;
(c) Requested of loan amount, terms and interest rate;
(d) Any time constraints on prospective Borrower or Department;
(e) Charges;
(f) Reserve and equity requirements;
(g) Debt service ratio and other contingency requirements:
(h) Appraisal requirements;
(i) Environmental survey(s);
(j) Contractor's cost estimate and qualifications;
(k) Management and maintenance plans;
(l) Project management requirements, reports, and qualifications;
(m) Loan servicing requirements and procedures;
(n) Design and related requirements;
(o) Document requirements;
(p) Construction procedures;
(q) Department Loan processing procedures;
(r) Eligibility requirements under federal and state law and regulation;
(s) Site Control;
(t) Reserves and costs for Bond issue; and
(u) Any other items pertinent to the proposed Project.
(2) At the conclusion of the application conference, if the prospective Borrower and the Department agree to proceed with the loan application process, prospective Borrower shall provide the necessary loan application documentation.
(3) After receiving a completed loan application package from the prospective Borrower, the Department shall evaluate each Project for consistency with the Department's interpretation of sound architectural and planning principles and prudent underwriting standards.
(4) In order to qualify for a loan, a Project shall:
(a) Be approved by the Department with respect to site; location; market demand; financial feasibility; qualifications of general contractor, management agent and developer; appraisal; financial strength and creditworthiness of the Eligible Borrower; management plan; final architectural package; organizational documents; ALTA title report; resident services plan, and any other information the Department shall prescribe;
(b) Meet all applicable state and local land use and zoning requirements, housing codes, and similar requirements;
(c) Be in compliance with federal regulations, state statutes and Program rules;

(d) Be located in the State of Oregon;
(e) If the loan is for an amount over $100,000, be approved by the Housing Stability Council prior to the Department's issuance of a loan Commitment:
(A) The Department shall review each application for a loan over $100,000 and prepare a proposal to the Housing Stability Council for approval or disapproval. The Department will send a copy of its proposal to the Eligible Borrower with a notice of the Housing Stability Council meeting at which the application will be considered. Upon receipt of the notice, the Eligible Borrower may request an opportunity to present testimony at the meeting;
(B) After considering the Department's proposal, as well as any other testimony presented, the Housing Stability Council shall approve or disapprove the application or take other appropriate action;
(c) The Eligible Sponsor Borrower shall promptly be advised in writing of the Housing Stability Council's decision.
(5) In approving or disapproving any loan application, the Department and the Housing Stability Council shall consider, in addition to requirements elsewhere stated in the Program rules, the following criteria:
(a) The location of the Project site, including its proximity to transportation, shopping, social, commercial and recreational facilities, medical services and such other facilities and services as shall best serve the residents;
(b) Financial feasibility of the Project;
(c) Availability of street, sewer, water, utilities and other public services;
(d) Availability of public transportation;
(e) Architectural design, including aesthetic quality soundness of construction, energy efficiency, and suitability to the needs of the residents to be served;
(f) Compliance with applicable state and local comprehensive plan and land use regulations;
(g) Market demand;
(h) The financial strength, credit reputation and history of the Eligible Borrower; and
(i) The experience of the developer, contractors, architects, consultants and management agent in developing, constructing and operating housing Projects.
(6) The Eligible Borrower may submit a written request for review and appeal of the Housing Stability Council's decision in accordance with the provisions of ORS Chapter 183. To be considered, the request must be received by the Department within 30 days of the date of the notice of initial loan disapproval.
(7) Upon loan approval, the Department shall issue a Commitment, which may be subject to loan funds being available, which shall include:
(a) The amount of the loan;
(b) The maximum rate of interest to be charged on such loan;
(c) The term of the loan;
(d) The amount of the Commitment fee, Rent-Up Reserve Account and Contingency Escrow Account;
(e) When the Commitment fee shall be paid, and when the Rent-Up Reserve Account and Contingency Escrow Account shall be funded;
(f) All other conditions of the Commitment, and when they shall be fulfilled;
(g) Provisions concerning construction;
(h) Provisions and conditions of loan disbursement;
(i) Provisions of loan closing; and
(j) Conditions of termination of the Commitment.
(8) If the Commitment conditions are not completed by the dates specified in the Commitment, the offer for a Commitment shall expire, unless the Department grants an extension in writing.
(9) Construction and completion:
(a) During the construction of the Project, the Department may conduct random inspections for Borrower's compliance with the plans and specifications previously approved by the Department. The Borrower's architect shall submit regular inspection reports to the Department. Change orders must be signed by the contractor, Project architect and the Borrower before being submitted to the Department for its approval and prior to the changes being made;

(b) Upon completion of construction of the Project, the Department shall perform an inspection to assure the Borrower's compliance with the approved plans and specifications. If some items of construction remain to be completed due to circumstances beyond the control of the Borrower (provided the incomplete items do not detract from livability or safety of the Project), the Department may require the Borrower to escrow as approved by the Department and under Department control an amount equal to one and one-half times the estimated cost of completion, until the construction item is completed.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0044

REPEAL: Temporary 813-060-0044 from OHCS 19-2026

RULE TITLE: Loan Closing

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0044 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
Before the loan closing takes place, the Department shall provide the escrow officer written instructions for closing the loan. The Department shall not authorize disbursement of loan funds until all conditions of the Commitment are satisfied and the Department has approved. The following closing documentation may be required:
(1) Cost certification;
(2) Certificate or policy of insurance for fire and extended coverage, liability, business income and flood insurance (if applicable), with the appropriate loss deductible. All insurance coverage shall be in the amounts set forth in the Department's Regulatory Agreement and Declaration of Restrictive Covenants;
(3) Contingency Escrow Account;
(4) Notice of Completion;
(5) Certificate of occupancy or final inspection report from the local government, as required;
(6) Commercial leases, if applicable;
(7) Ground leases, if applicable;
(8) All other relevant leases, if applicable;
(9) Tax abatement approval;
(10) American Land Title Association (ALTA) mortgagee's preliminary title insurance report from the title company of the Sponsor's Borrower's choice;
(11) Any licenses required by the state;
(12) For Acquisition Loans:
(a) Certification of completion of work on repairs from the general contractor and owner.
(13) All other reasonable requirements of the Department.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0045

REPEAL: Temporary 813-060-0045 from OHCS 19-2026

RULE TITLE: Resident Eligibility and Occupancy

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0045 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) To be eligible to occupy a Project, a household shall:
(a) Be a Resident of the state;
(b) At least one member of the household must meet the definition of Disabled Person as provided in OAR 813-060-0010;
(c) Have an annualized Gross Household Income which does not exceed the income limit as established by the Department from time to time in compliance with the Act;
(d) The project shall conform to the maximum income requirement of ORS 456.620(4). A maximum of one-third of the units in a housing project, housing development or other residential housing financed by the Department may be rented to households with an income level exceeding 120 percent of the median family income level as determined by the Department.
(e) Relating specifically to acquisition/rehabilitation projects only, where tenants already reside in the project, the Department, at its sole discretion, may allow up to a one (1) year grace period for implementation of the standards identified in subsection (d) above in order to reduce the impact of displacement for over-income residents.
(2) Where the Project has a Regulatory Agreement and Declaration of Restrictive Covenants which was signed after June 16, 1982, have an annualized Gross Household Income, which does not exceed the income limit as established by the Department from time to time in compliance with the Act.
(3) Where the Project will be financed with proceeds of Bonds issued after August 15, 1986, have an annualized Gross Household Income which does not exceed such other income limit as may be required to assure compliance with Section 142(d)(1) of the Internal Revenue Code of 1986, as amended.
(a) If Section 142(d)(1) of the Internal Revenue Code so requires, the Borrower shall elect at Commitment to apply either the “20-50” or “40-60” income requirement under Section 142(d)(1) of the Code, as summarized below, to the Project during the qualified Project period:
(b) If the Borrower elects to meet the “20-50” requirement under Section 142(d)(1) of the Internal Revenue Code, at all times during the qualified Project period at least 20 percent (20%) of the completed residential units in the Project shall be rented to and occupied by (or held available for rent by) Persons whose annualized Gross Household Income is 50 percent (50%) or less of area median income, adjusted for family size; and
(c) If the Borrower elects to meet the “40-60” requirement under Section 142(d)(1) of the Internal Revenue Code, at all times during the qualified Project period at least 40 percent (40%) of the completed residential units in the Project shall be rented to and occupied by (or held available for rent by) Persons whose annualized Gross Household Income is 60 percent (60%) or less of area median income, adjusted for family size.
(4) The Borrower shall conduct annual income certifications of all residents to assure compliance with Section 142(d) of the Internal Revenue Code, and shall, where necessary, hold units vacant and available for occupancy by persons meeting the income requirements elected pursuant to Section 142(d).
(5) The Department may waive the Department’s income limits for an elderly household seeking residence in a Disabled Housing Project if a Person in the household is a Disabled Person requiring special housing provisions to accommodate the impairment and whose disability arises from a physical or mental impairment that substantially limits one or more Major Life Activity. However, no such waiver shall be made of the requirements of Section 142(d) of the Internal Revenue Code.

[Publications: Publications referenced are available from the agency.]

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0047

REPEAL: Temporary 813-060-0047 from OHCS 26-2026

RULE TITLE: Commitment Fee

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0047 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) The Department shall charge a nonrefundable Commitment fee up to two percent of the loan amount.
(2) The Eligible Borrower shall include the fee with the Sponsor's Eligible Borrower's signed acceptance of the Commitment returned to the Department.
(3) The Department may charge other fees or charges, as needed, to cover the costs and reduce the financial risk to the Department of issuing Bonds.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0055

REPEAL: Temporary 813-060-0055 from OHCS 26-2026

RULE TITLE: Loan Servicing

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0055 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) The servicing of loans shall be performed by servicer(s) selected by the Department. Servicing, unless performed by the Department itself, shall be conducted under the terms and conditions contained in a servicing agreement entered into between the Department and any Approved Servicer. The Department shall prescribe the form of the servicing agreement. The Approved Servicer shall:
(a) Promptly collect all payments due under the Loan Agreement and Regulatory Agreement and Declaration of Restrictive Covenants;
(b) Provide the Department with a monthly accounting of loan payments and disbursements;
(c) Ensure that escrow account balances are maintained at a level sufficient for the payment of the Project's property taxes, insurance premiums and costs of replacement as they become due and payable;
(d) Forward payments to the Department according to the provisions of the servicing agreement;
(e) Forward payments for insurance premiums to the insurance company when due;
(f) Forward payments for property taxes to the county assessor when due;
(g) Assure that all improvements on the mortgaged premises are kept insured against fire and extended coverage, casualty, liability and business income loss in accordance with the Loan Agreement and Regulatory Agreement and Declaration of Restrictive Covenants;
(h) Provide the Borrower with regular analyses of servicing accounts; and
(i) Perform such other responsibilities as the Department may prescribe.
(2) In order to qualify as an Approved Servicer and continue as such, an entity shall demonstrate to the satisfaction of the Department that:
(a) One of its principal functions is the servicing of multi-unit or commercial loans secured by real estate;
(b) Such servicing is a customary and regular business activity of the applicant;
(c) It is qualified to engage in the servicing of mortgage loans for specified government agencies or private institutions engaged in the secondary market for mortgage investments;
(d) It deposits funds to accounts in depositories which comply with the requirements of ORS 295.005, 295.015 to 295.018 and 295.025 and which are insured to the full extent legally possible by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or other similar federal insuring department; and
(e) It shall maintain servicing facilities adequately staffed with personnel familiar with all regulations and requirements pertaining to or affecting loans serviced for the Department.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0056

REPEAL: Temporary 813-060-0056 from OHCS 26-2026

RULE TITLE: Change of Approved Servicers

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0056 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) The servicing agreement may be terminated or amended as provided in the servicing agreement or these rules.
(2) The Department may direct a change of Approved Servicers at any time consistent with the terms of the servicing agreement and these rules.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0061

REPEAL: Temporary 813-060-0061 from OHCS 26-2026

RULE TITLE: Transfer of Ownership

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0061 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1)(a) A Sponsor Borrower who has received a loan or Commitment from the Department shall not transfer ownership, lease, or otherwise encumber any property which serves or will serve as security for a loan from the Department without prior written approval from the Department.
(b) The Borrower shall be required to submit underwriting documentation as requested by the Department.
(2) A transfer of ownership means a sale, conveyance or other transfer of:
(a) Any interest of a general partner;
(b) Any interest in a joint venture;
(c) More than 25 percent of the limited partner's interest;
(d) More than 10 percent of a corporate owner's interest; or
(e) Any individual interest when the ownership is not a limited partnership, general partnership, joint venture or corporation.
(3) The Department may require a transfer application charge from Borrowers of Projects that receive loans through the Department, who request the Department's approval of a change in Project ownership. The Department may require a transfer review charge to Project owners and transferees who effect a change in Project ownership without prior written approval by the Department.
(4) A 100 percent transfer of ownership means a sale, conveyance or other transfer of:
(a) All interest of a general partnership;
(b) All interest of a joint venture;
(c) All interest of a corporation;
(d) All general partners' interest in a limited partnership; or
(e) All individual interest of an ownership entity when the ownership entity is not a limited partnership, general partnership, joint venture or corporation.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0062

REPEAL: Temporary 813-060-0062 from OHCS 26-2026

RULE TITLE: Loan Prepayments

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0062 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) It is the general policy of the Department not to accept prepayments. The Department may, however, permit a prepayment if, in its sole discretion, the Department determines that the prepayment is consistent with the best interests of the Department, including its public purpose as defined in ORS 456.550.
(a) The Borrower must submit to the Department a written request for prepayment at least 90 days prior to the Borrower's estimated prepayment date;
(b) The Department may charge the Borrower a prepayment review charge to cover the Department's cost of review and processing the prepayment request.
(2) The Department must give prior written approval of any loan prepayment. In order to be valid, a written approval of prepayment must be signed by an authorized representative of the Department. In making a decision whether or not to allow prepayment of a loan, the Department may consider criteria that include, but are not limited to, the following:
(a) The financial impact of the prepayment on the Department's programs or on an individual program or Bond indenture;
(b) Economic factors, including, but not limited to, portfolio diversification and relative cost of capital;
(c) The cash flow and other relevant financial considerations of the Project loan for which prepayment is requested;
(d) The ability of the Department to use proceeds of the loan prepayment to increase the availability of housing affordable to low-income Oregonians;
(e) The willingness of the Borrower to execute a written agreement or give other assurances that the Project will continue to be used for the purpose(s) originally intended, as specified in the Loan Documents, or for an alternate use consistent with the best interests of the Department, including its public purpose as defined in ORS 456.550. Such continued use will be for a period of time mutually agreed on by the Department and the Borrower;
(f) Tax law consequences; and
(g) Other factors the Department considers appropriate to insure the security for and the ability of the State to repay the Bonds, and to insure the ongoing financial viability and stability of the Department's programs.
(3) If the Department determines that a loan prepayment is consistent with the best interests of the Department, it only shall authorize the prepayment provided that the sum to be prepaid, computed as of the date of prepayment, shall equal the unpaid principal balance of the loan plus accrued interest and all other obligations plus, at the Department's discretion, a penalty or premium for the privilege of prepayment. Such prepayment penalty shall be determined based on terms of the original Loan Documents, and amendments thereto which have been mutually agreed on by the Department and the Borrower. The Department may waive all or a portion of such prepayment penalty if it determines in its sole discretion that such waiver is in the best interests of the Department. In making a decision whether or not to waive any or all of a prepayment penalty, the Department may consider, but is not limited to, the criteria identified in OAR 813-060-0062(2)(a) through (g).
(4) Where Section 8 Housing Assistance contracts or other rent subsidies are in place, the Department may approve a loan prepayment request only if such rent subsidies are not unduly impaired, determined at the sole discretion of the Department.
(5) Failure to make timely submission of a prepayment penalty will cause additional interest to accrue at loan rate or statutory rate, whichever is higher.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0065

REPEAL: Temporary 813-060-0065 from OHCS 26-2026

RULE TITLE: Disposal of Department-Owned Projects

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0065 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
(1) The Department may transfer ownership of Department-owned Projects through sale, gift or other lawful manner to a Person or Persons whom the Department determines best meets the requirements of this Program. The Department shall establish written procedures for selling a Project prior to any offering of such Project, as applicable.
(2) The method of transfer of ownership, timing, price, terms and any other factors pertinent to the transfer of ownership shall be effected by the Department in a manner continuity of the Department's rental programs. Factors the Department may consider include, but are not limited to:
(a) The financial investment of the Department in the Project:
(b) Preservation of existing rental housing:
(c) Proposed Eligible Borrower's ability to manage, market, maintain and protect property used as security for the loan made by the Department, if applicable:
(d) Proposed Eligible Borrower's capacity to preserve or improve upon the property's safety, sanitation, durability and livability:
(e) Proposed Eligible Borrower's ability to preserve units which are affordable and suitable to the needs of the residents:
(f) Continued compliance with state or federal laws, rules or regulations, as applicable to the financing or use of the Project.

STATUTORY/OTHER AUTHORITY: ORS 456.555

STATUTES/OTHER IMPLEMENTED: ORS 456.555, 456.625

REPEAL: 813-060-0070

REPEAL: Temporary 813-060-0070 from OHCS 26-2026

RULE TITLE: Waiver

NOTICE FILED DATE: 08/31/2026

RULE SUMMARY: Repealing 813-060-0070 as they do not apply to the Older Adult Housing Program (OAHP).

RULE TEXT:
The Department may waive or modify any requirements of OAR 813, division 060, unless such waiver or modification would violate applicable federal or state statutes or regulations.

STATUTORY/OTHER AUTHORITY: ORS 456.515 - 456.720

STATUTES/OTHER IMPLEMENTED: ORS 456.555