§ 2405-e. Purchase of employer assisted forward commitment mortgages. (1) In accordance with the authority set forth in section twenty-four hundred five-b of this title, the agency may purchase employer assisted forward commitment mortgages from banks at such prices and upon such terms and conditions as it shall determine. In conducting its program of purchasing employer assisted forward commitment mortgages, the agency shall be governed by the provisions of section twenty-four hundred five-b of this title. The board of directors of the agency shall establish from time to time maximum income limits of persons eligible to receive such mortgages, which income limits shall not exceed the latest maximum income limits permitted under the Internal Revenue Code of 1986, as amended, for mortgages financed by mortgage revenue bonds. An employer may develop additional qualifications for eligible employees beyond those qualifications provided for in this section, provided that such qualifications are non-discriminatory and are pre-approved by the agency; the employer, however, shall remain solely responsible for determining and insuring the legality of such qualifications and may not rely on any agency reviews, approvals, legal opinions or statements.

(2) To participate in an employer assisted forward commitment mortgage program, an employer must be a corporation, partnership, or sole proprietorship which maintains an office in the state and must satisfy the requirements set forth in guidelines established by the agency.

(3) For any employer assisted forward commitment mortgage, the maximum loan-to-value ratio shall be established by the agency, provided that such loan shall not exceed one hundred percent of the appraised value of the mortgaged premises. Reasonable closing costs for the loan may be amortized over the life of the loan, provided that the final loan amount does not exceed one hundred percent of the appraised value of the mortgaged premises.

(4) The agency shall require any employer participating in the employer assisted forward commitment mortgage program to guarantee to pay up to twenty percent of the total outstanding mortgage indebtedness (as determined by the agency) for each employee who obtains a mortgage loan under the provisions of this section and who defaults on such mortgage loan during the first seven years of such loan, regardless of whether such borrower is an employee of such employer at the time of the default.