§ 212. Loans to owners. 1. Notwithstanding the provisions of any general, special or local law, a municipality, by its local legislative body, may make or contract to make loans to the owners of existing multiple dwellings within its territorial limits, in such amounts as may be required for the installation of proper heating facilities, or elimination of conditions dangerous to human life or detrimental to health, including nuisances as defined, in section three hundred nine of the multiple dwelling law, or other rehabilitation or improvement of such multiple dwellings, and may make temporary loans or advances to such owners in anticipation of the permanent municipal loans for such purposes.

2. Each permanent loan shall be secured by a bond and mortgage or note and mortgage upon the multiple dwelling and the land upon which it is situated. The amount of any such loan, together with the amount of all prior loans and encumbrances, shall not exceed ninety per centum of the value of the property, after completion of the installation of proper heating facilities, or elimination of such conditions or other rehabilitation or improvement, as estimated by the agency. Each such bond and mortgage or note and mortgage shall be repaid over or within a period of twenty years in such manner as may be provided in such bond and mortgage or note and mortgage and contract but in no case to exceed the probable life of the multiple dwelling which is hereby determined to be twenty years. Such bond and mortgage or note and mortgage and the contract in connection with such permanent and temporary loans may contain such other terms and provisions not inconsistent with the provisions of this article as the local legislative body may deem necessary or desirable to secure repayment of the loan, the interest thereon and other charges in connection therewith and to carry out the purposes and provisions of this article.

3. The bond or note issued by the owner of such multiple dwelling and the mortgage relating thereto may authorize such owner, with the consent of the agency, to prepay the principal of the loan subject to such terms and conditions as therein provided. Such bond or note and mortgage may contain such other clauses and provisions as the agency shall require.

4. The agency may charge the owner of such multiple dwelling reasonable fees for financing, regulation, supervision and audit. Such fees shall be kept by the municipality in a separate fund to be known as the housing rehabilitation fund and shall be used to pay for the expenses of the municipality in administering and carrying out the provisions of this article.