

Sec. 8-273-30. Increased interest costs

(a) The amount payable for increased interest costs under 8-273-26 (b) is —

(1) The present value of the difference in interest costs and other debt service costs charged for refinancing an amount not more than the balance of the mortgage on the acquired dwelling at the time of acquisition over a period not more than the remaining term of that mortgage; or

(2) An amount based on a schedule prescribed or approved by the appropriate state agency official and computed in accordance with this section.

(b) For purposes of computing increased interest costs, the following rules apply:

(1) The interest charge on the new mortgage may not exceed the prevailing interest rate currently charged by mortgage lending institutions in the area.

(2) The present value of the increased interest cost shall be computed at the prevailing interest rate paid on savings deposits by commercial banks in the area.

(Effective April 30, 1975)