

Sec. 8-84-7. Insured market agreements

(a) Any operative builder intending to undertake the construction of moderate cost housing suitable for purchase by eligible buyers may apply for market insurance under the insured market provisions of the act either through a correspondent or directly to the commissioner. Applications shall be accompanied by lists, exhibits and plans giving a clear delineation of the properties to be covered by the insured market agreement.

(b) Each application shall indicate the total number of properties to be brought under the agreement and the number of properties on which market insurance is desired. Each application shall be accompanied by a fee of fifty dollars per property to be insured, which fee shall be rebated only if the insurance is refused.

(c) An insured market agreement may be entered into between an operative builder and the state only after the federal housing commissioner has issued commitments to insure mortgages on all the properties to be covered by the agreement.

(d) The agreement shall apply only to moderate cost housing consisting of single family dwellings the construction of which has not yet started, which dwellings shall conform to the minimum property requirements established by the federal housing commissioner and, except to the extent waived by the commissioner, to all requirements of local zoning regulations and building codes.

(e) The market insurance may be made to apply to all or a portion of the properties covered by the agreement.

(f) The granting of market insurance shall not be contingent upon an application by the operative builder for a construction loan from the state.

(g) The agreement shall provide that any properties which for any reason become ineligible for mortgage insurance by the federal housing commissioner during the construction period shall not be subject to the agreement and shall not be purchased by the state under any circumstances.

(h) The agreement shall provide that any property covered by the agreement but remaining uncompleted at the end of one year from the date thereof shall not be subject to the agreement and shall not be purchased by the state under any circumstances.

(i) The agreement shall set an agreed price for each property covered by the agreement and the agreed price shall be ninety per cent of the estimate of value established by the federal housing commissioner or nine thousand dollars, whichever is less.

(j) The agreement shall provide that the operative builder shall offer and attempt to sell each and every property covered by the agreement only to eligible buyers for a period extending to a date sixty days after the date which the federal housing commissioner fixes as the date of completion of construction.

(k) The agreement shall provide that any property covered by the agreement which remains unsold after a period of ninety days after the date which the federal housing commissioner fixes as the date of completion of construction may be offered for sale to the state during the period extending to one hundred twenty days from such date of completion, and the state shall purchase the property and pay the agreed price for it, provided it is satisfied there has been a reasonably diligent effort to find a buyer, either an eligible buyer or other purchaser, and provided it has not already purchased under the provisions of the agreement a number of properties in excess of the maximum number of properties insured

under the agreement.