

**Act on Subsidies for Improving the Housing Conditions of Special Groups December 30, 2004/1281**

In accordance with the decision issued by the Parliament the following is enacted:

**Section 1**

**Scope of application and relationship to the Act on State Grants**

Grants for improving the housing conditions of special groups can be granted from the funds of the Housing Fund of Finland as provided in this Act.

The provisions of the Act on State Grants ([688/2001](#)) are also applied to the grants referred to in this Act unless otherwise prescribed below. \_\_\_\_\_

**Section 2**

**Objective**

The objective of issuing a grant is to increase the provision of rental housing suitable for the housing needs of persons belonging to special groups and with reasonable cost of housing to improve the housing conditions of such persons.

Section 3 (June 11, 2010/491)

*Special groups*

A grant can be issued for a housing project to serve a residential group in need of special support whose:

- 1) housing conditions are poor and income exceptionally low;
- 2) housing requires more support services than normal;
- 3) arrangements of housing conditions require, in addition to the support services under subparagraph 2, significant special space and amenity solutions in the residential building or dwelling;
- 4) arrangements of housing conditions require the conditions under subparagraph 3, and, in addition that substance misuse, mental problems or other corresponding problems have caused long term homelessness; or
- 5) arrangements of housing conditions require, in addition to the support services under subparagraph 2, exceptionally demanding or expensive space or amenity solutions in the residential building or dwelling on account of the mental disability of the residents.

**Section 4**

**Objective of grant**

A grant can be issued for the construction, acquisition or renovation of a rental building or rental dwelling when a loan granted for the same project is approved as an interest-subsidy loan in accordance with the Act on Interest Subsidy for Rental Housing Loans and Right of Occupancy Loans ([604/2001](#)), which will be termed the Act on Interest Subsidy hereafter.

However, no grant is issued when a partial-ownership dwelling under the Act on Partial Ownership Housing is financed with an interest-subsidy loan for rental housing ([232/2002](#)).

**Section 5**

**Power to grant and plan for use**

Grants may be issued within the authorisation limits confirmed in the state budget.

When necessary, the Council of State may decide, in a plan for use, on the regional grounds for use of the grants issued under the authorisation and on their distribution among projects intended for special groups on the basis of housing need.

## Section 6

### Preconditions for grant

A precondition for a grant is that:

- 1) the residential building and the dwellings are suitable for use by persons belonging to special groups;
- 2) persons belonging to the special groups have a long-term need for housing in the locality; and
- 3) the local authority of the municipality where the residential building is located is in favour of issuing a grant.

A further precondition for a grant is that the Housing Finance and Development Centre of Finland approves the project plan demonstrating that the entire project is economically and functionally feasible. ([June 26, 2008/448](#))

## ~~Section 7~~

### Recipient of grant

If the dwellings are intended for persons belonging to the groups referred to in Section 3, paragraph 1, a grant can be issued to any recipient of an interest-subsidy loan under Section 5 of the Act on Interest Subsidies.

If the dwellings are intended for persons belonging to the special groups referred to Section 3, paragraphs 2 to 4, a grant can be issued to a local authority, a joint municipal board or a limited liability company or housing company in which the local authority has direct control pursuant to Chapter 1, Section 5, paragraph 1, subparagraph 1 of the Accountancy Act ([1336/1997](#)). A grant can also be issued to other recipients of an interest-subsidy loan that is considered capable of producing and maintaining residential buildings or dwellings referred to in Section 6. ([June 26, 2008/448](#))

---

## Section 8 (June 11, 2010/491)

### *Amount of grant*

A grant may be issued to cover the construction, acquisition or renovation costs of the project, approved to be financed with an interest-subsidy loan:

- 1) no more than ten per cent when the grant is issued for a purpose in accordance with Section 3, paragraph 1;
- 2) no more than 25 per cent when the grant is issued for a purpose in accordance with Section 3, paragraph 2;
- 3) no more than 40 per cent when the grant is issued for a purpose in accordance with Section 3, paragraph 3;
- 4) no more than 50 per cent when the grant is issued for a purpose in accordance with Section 3, paragraph 4 or 5.

When issuing grants within the limits of the maximum percentages set out above, the Housing Finance and Development Centre shall take into account the scope and cost of the project, the reasonableness of the rent and the ability of persons belonging to special groups to pay rent.

## Section 9

### Other funding

Grants are only issued for projects for the financing of which no other public subsidies have been granted, except for an interest subsidy or grant awarded from the funds of the Housing Fund of Finland or subsidies granted by the local authorities or a joint municipal board. A grant as referred to in this Act is not, however, issued to that part of total costs to be financed for which public subsidy as set out above is granted.

## Section 10 (June 26, 2008/448)

### Competent authority for state grants

The Housing Finance and Development Centre acts as the competent authority for state grants in the grant procedure.

The Housing Finance and Development Centre will issue detailed provisions and regulations on the application and payment procedure and on the account to be appended to the applications.

## Section 11

### Use of dwellings

A dwelling for the construction, acquisition or renovation of which a grant has been issued shall be used as a rental dwelling for persons belonging to the special group designated upon issue of the grant for 20 years starting from the payment of the first grant instalment.

If necessary for maintaining the community structure sufficiently varied, the recipient of a grant can allocate, instead of the dwellings financed with the grant, some of the dwellings from his or her other rental building stock in the locality in such a way that the special groups nevertheless have at their disposal for 20 years an equal number of dwellings as a grant has been issued for. In such a case, a plan for the use of the dwellings, approved by the Housing Finance and Development Centre, shall be in place. [\(June 26, 2008/448\)](#)

Upon application and on terms set by it, the Housing Finance and Development Centre can grant an exemption from the restriction for use related to the grant if the persons belonging to the designated special group no longer have housing needs in the locality, or for other special reasons. [\(June 26, 2008/448\)](#)

---

## Section 12 (June 26, 2008/448)

### Repayment and recovery of grant

The relevant provisions of the Act on State Grants are applied to the repayment and recovery of a state grant. If the recipient of the grant uses or has used the rental building or rental dwelling contrary to the conditions laid out in Section 11, or if a rental building or rental dwelling is subject to a restriction for use and financed with a grant, or the shares entitling the holder to the possession

of a rental building or rental dwelling are sold or they are otherwise transferred to the possession of another, or if the building or dwelling are destroyed in a case of damage during the time referred to in Section 11, the recipient of the grant shall inform the Housing Finance and Development Centre in advance or, in the case of damage, within one month from the event.

### Section 13

#### Appeal

An applicant who is dissatisfied with a decision taken by the Housing Finance and Development Centre in matters referred to in this Act or regulations issued by virtue thereof may request rectification within 14 days of having been informed of the decision. The request for rectification shall be made to the Housing Finance and Development Centre. Instructions on requesting rectification shall be appended to a decision which can be appealed. The request shall be processed without delay. ([June 26, 2008/448](#))

A decision on a request for rectification pertaining to issuing of a grant cannot be appealed. Any other decision on a request for rectification can be appealed as provided in the Administrative Judicial Procedure Act ([586/1996](#)).

Regardless of the appeal, a decision pursuant to Section 12 can be enforced.

### Section 14 ([June 26, 2008/448](#))

#### Guidance, supervision and inspection right

The Housing Finance and Development Centre directs and controls the use of grants and the observance of the related obligation to use the dwelling as a residential dwelling.

The Housing Finance and Development Centre or an official appointed by the Centre is entitled to receive from the recipient of the grant for inspection and use all documents and other records they deem necessary for carrying out supervision and to make any copies thereof necessary for supervision. Furthermore, the recipient of the grant shall provide the person empowered to carry out the inspection with any information and account necessary for supervision without undue delay.

### Section 15

#### Entry into force

This Act comes into force on January 1, 2005.

Measures needed to enforce this Act may be taken before it comes into effect.

[HE 170/2004](#), YmVM 18/2004, EV 194/2004

#### **Entry into force and application of amending Acts:**

##### **August 18, 2006/719:**

This Act comes into force on September 1, 2006.

Measures needed to enforce this Act may be taken before it comes into effect.

[HE 47/2006](#), YmVM 4/2006, EV 65/2006

————— **June 26, 2008/448:**

This Act comes into force on July 1, 2008.

Measures needed to enforce this Act may be taken before it comes into effect.

[HE 59/2008](#), YmVM 5/2008, EV 71/2008

June 11, 2010/491:

---

This Act comes into force on June 16, 2010.

This Act is applicable to applications filed with the Housing Finance and Development Centre on January 1, 2010 or thereafter.

Measures needed to enforce this Act may be taken before it comes into effect.

HE 36/2010, YmVM 6/2010, EV 74/2010

