

limited-income citizens of the State who are unable to obtain mortgage financing from conventional financial institutions at affordable terms and interest rates. The applicants must meet all eligibility criteria standards and certain established income limits.

Through the Maryland Housing Rehabilitation Program, which was enacted by the General Assembly in 1975, CDA participates with local subdivisions in providing direct loans to families of limited income. The homes must generally be located in "target areas." Owners of historic or architecturally significant property can borrow funds under this program regardless of their income.

The Mortgage Purchase Program is similar to the Maryland Home Financing Program, except that it serves a slightly broader range of eligible families and it operates through private lenders, such as savings and loan institutions and banks and mortgage companies. Under the program, CDA buys out the lender's interest in a mortgage loan immediately after settlement with an eligible family. Before CDA will make a purchase, the originating private lender must certify that the home buyer could not afford to purchase the property with financing available through private lenders on an unassisted basis.

The Homeowner Development Program provides long-term mortgage financing at low market interest rates to purchasers of new homes in housing subdivisions. Financed by the sale of revenue bonds, the program is designed to stimulate construction of new housing for families of moderate means.

The Community Development Administration also manages the Section 8 Rent Subsidy Program, a federal program which subsidizes rents for eligible families living in both new and existing housing. Tenants eligible for the program make rental payments equivalent to 25 percent of their income, or 15 percent in the case of certain large families. Section 8 funds cover the difference between that amount and the ceiling established for rental and utility costs. The program is designed to aid lower income families, the elderly, and the handicapped.

Projects financed by the Department of Economic and Community Development must be consistent with local priorities and must complement and supplement local community development programs and initiatives. Projects must meet eligibility criteria and financing requirements, and income limits are established as the

guideline for persons served (Code 1957, Art. 41, secs. 257L, 266DD-1 to 266DD-7 and 266FF-1 to 266FF-4).

DEVELOPMENT CREDIT CORPORATION OF MARYLAND

OFFICERS

Chairperson of the Board: William A. Beasman, Jr.

President and Chief Executive Officer: W. G. Brooks Thomas

Treasurer: R. Kenneth Rous

Secretary: Timothy D. McMillin

40 West Chesapeake Ave.
Suite 211
Towson 21204

Telephone: 828-4711

The General Assembly authorized the establishment of the Development Credit Corporation of Maryland by Chapter 822, Acts of 1959, to stimulate business and industry in the State of Maryland by making loans available to small businesses that would not qualify for loans from conventional institutions such as banks or insurance companies.

The Corporation consists of two classes of participants: members and stockholders. Only financial institutions—those institutions whose activities include lending or investing money—may become members. Members must loan funds to the Corporation upon demand up to limits that are set by law and based on financial capacity. All such calls for funds are to be prorated among the members in the proportion that the maximum loan limit of each bears to the aggregate loan limits of all members. Individuals and domestic corporations may become stockholders, but financial institutions may be stockholders only if they are also members. The authorized capital stock consists of two million shares of common stock with a par value of one dollar each.

The fifteen member Board of Directors, representing the five economic regions, exercises the corporate powers of the Development Credit Corporation. There are five economic regions: the Central Region (Baltimore, Carroll, Harford, and Howard counties); the Eastern Shore Region (Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester coun-