

elected to each of the two Houses of the General Assembly, the same shall take effect from the date of its passage.

Approved May 24, 1971.

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CHAPTER 669

(Senate Bill 658)

AN ACT to add new Section 257K to Article 41 of the Annotated Code of Maryland (1965 Replacement Volume and 1970 Supplement), title "Governor—Executive and Administrative Departments," subtitle "Department of Economic and Community Development," TO FOLLOW IMMEDIATELY AFTER SECTION 257J THEREOF AND to be under the new subheading "Maryland Housing Fund," to provide a fund for the insurance of mortgages made to finance the construction of new housing and the purchase of existing housing, and generally dealing with the administration of this Fund.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Section 257K be and it is hereby added to Article 41 of the Annotated Code of Maryland (1965 Replacement Volume and 1970 Supplement), title "Governor—Executive and Administrative Departments," subtitle "Department of Economic and Community Development," TO FOLLOW IMMEDIATELY AFTER SECTION 257J THEREOF AND to be under the new subheading "Maryland Housing Fund," and to read as follows:

*Maryland Housing Fund*

*257K.*

(a) *The General Assembly declares that it is a subject of concern that many residents of this State are living in substandard housing and that there exists a shortage of housing at reasonable costs for various income levels. The General Assembly recognizes that adequate multiple unit and single family housing can, and should, be provided by private capital under our free enterprise system and in accordance with sound investment practices. The General Assembly finds that the flow of private investment capital into such housing can be stimulated by a system wherein qualified lending institutions may be insured against losses incurred as a result of nonpayment of principal, interest, or other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness. In furtherance of such State interest, there is established a Maryland Housing Fund.*

(b) *The Department of Economic and Community Development shall manage and supervise the Maryland Housing Fund. The Fund shall be deposited with the State Treasurer to be held in such banks as he deems proper and shall be accounted for by the State Comptroller in a special account known as the "Maryland Housing Fund." The Fund shall be invested and reinvested in the same manner as other state funds. The Fund shall be used to insure mortgages accepted by the Department under the provisions of this subtitle.*  
SUBHEADING.