

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. The General Assembly further finds that such mortgage insurance can assist State and local activity to finance housing and rehabilitation. THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS IN THE PUBLIC INTEREST OF THE CITIZENS OF THIS STATE TO REDUCE THE CONSUMPTION OF ENERGY AND TO INCREASE THE UTILIZATION OF SOLAR ENERGY BY PROMOTING ENERGY CONSERVATION PROJECTS, ~~INDUSTRIAL ENERGY CONSERVATION PROJECTS~~ AND SOLAR ENERGY PROJECTS. THE GENERAL ASSEMBLY FINDS, AS A CONSEQUENCE THEREOF, THIS GOAL CAN BE ASSISTED BY THE PROVISION OF INSURANCE FOR LOANS MADE BY QUALIFIED LENDING INSTITUTIONS FOR, OR BONDS OR NOTES ISSUED TO FINANCE, THE ENERGY CONSERVATION, ~~INDUSTRIAL ENERGY CONSERVATION~~ AND SOLAR ENERGY PROJECTS. FOR THE PURPOSES OF THIS SECTION, THE TERMS "ENERGY CONSERVATION PROJECT", ~~INDUSTRIAL ENERGY CONSERVATION PROJECT~~, AND "SOLAR ENERGY PROJECT" HAVE THE MEANINGS STATED UNDER ~~§ 13-102 OF THE NATURAL RESOURCES ARTICLE 266DD-3 OF ARTICLE 41~~. 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 funds shall be used to insure mortgages accepted by the Department under the provisions of this subheading, OR TO INSURE BONDS OR NOTES ISSUED TO FINANCE ANY PROJECT THAT IS ELIGIBLE FOR INSURANCE UNDER THE PROVISIONS OF THIS SECTION.

(c) The Department[, upon authorization by the mortgagee,] may insure upon such terms as it may prescribe any mortgage offered OR ANY BONDS OR NOTES ISSUED which [is] ARE eligible for insurance under the provisions of this section. For the purposes of this section, the term "mortgage" includes loans to finance or refinance the purchase of stock or membership or to rehabilitate units in a cooperative ownership housing corporation. Fees shall be established for said insurance in an amount calculated to cover administrative costs for this program as well as payments made where defaults on mortgages, BONDS OR NOTES cause insured losses to the lenders, BONDHOLDERS OR NOTEHOLDERS. FOR ANY PROPERTY ACQUIRED BY THE DEPARTMENT THROUGH FORECLOSURE OR PURSUANT TO ANY OTHER PAYMENT IN SETTLEMENT FOR A CLAIM FOR LOSS, THE DEPARTMENT MAY MAKE A MORTGAGE LOAN TO ASSIST IN THE DISPOSITION OF THE PROPERTY.

(d) The Department shall promulgate such standards for the eligibility of insurance as are reasonable to provide