

developed under the Program must be rented or sold to low- and moderate-income persons.

Established in January 1990, the *Shelter I Program* encourages nonprofit organizations, such as churches and community groups, to take the initiative in sponsoring their initial small housing project for low-income families or individuals. The Program supplies technical assistance and preferred interest rate loans from the programs listed above.

The *Low-Income Housing Tax Credit Program* was designated by the Governor to allocate tax credits in Maryland under the federal Tax Reform Act of 1986 and Revenue Reconciliation Act of 1989. Tax credits are awarded through a competitive allocation to both nonprofit and for-profit sponsors of low-income housing.

HOME OWNERSHIP PROGRAMS

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The *Maryland Mortgage Program (MMP)* originated in 1980 as the Mortgage Purchase Program and received its present name in July 1987. The Program was implemented when mortgage funds available through private lending institutions dwindled and mortgage rates rose. The MMP provides reduced-interest mortgage loans to eligible home buyers through participating lending institutions. In this program, the Administration provides mortgage loans directly to eligible low- and moderate-income persons or purchases loans made for them by participating lending institutions.

Both newly constructed and existing homes are eligible under the Maryland Mortgage Program. MMP is designed primarily for first-time home buyers.

Federal law designates certain low-income areas as target areas for which 20 percent of the funds from bond issues must be set aside. In these areas, purchase price limits are slightly higher and buyers are not required to be first-time home buyers.

The Maryland Mortgage Program is funded by the sale of tax-exempt revenue bonds. Both the acquisition cost and income limits are set by the Administration within federal tax law guidelines. Acquisition costs vary by region.

Using Maryland Mortgage Program funds, the Administration provides commitments to developers of newly constructed or substantially rehabilitated units for set-asides of mortgage funds for eligible buyers. Projects must have approval from the local government entity. To be eligible, project units must meet the acquisition cost limit for the region.

The *Maryland Home Financing Program (MHFP)* was authorized by the General Assembly in 1972 and first funded with the sale of State general obligation bonds in 1973. This direct-loan program expands home ownership opportunities for low-income Marylanders. By virtue of its funding source—

general fund appropriations, and a revolving fund from prior loans under the Program—it differs from the other single-family programs. Loans have been made in every county and Baltimore City (Code 1957, Art. 83B, secs. 2-401 through 2-409; Code Financial Institutions Article, sec. 13-310).

MHFP also stimulates the production and rehabilitation of owner-occupied housing by providing below market loans targeted at households with income less than \$27,650 per year. The Administration encourages local governments and nonprofit organizations to contribute local resources for developments funded through this program.

The *Emergency Mortgage Assistance Program (EMA)* was developed and merged into MHFP in 1989. Its forerunner was the Home Owner Emergency Mortgage Assistance Program (HEMAP), which was created by the General Assembly in 1984. The Program provides mortgage assistance to home owners who are in imminent danger of losing their homes. Through housing counseling agencies, the Program provides short-term loans to eligible home owners. The Program is funded through loan repayments and general fund appropriations to the Home Ownership Fund.

The *Settlement Expense Loan Program (SELP)* was begun by the General Assembly in 1988. The Program provides low interest loans for settlement expenses to eligible low- and moderate-income home buyers who do not have sufficient resources to purchase an affordable home.

The *Reverse Equity Mortgage Program (REMP)* was established by the General Assembly in 1986 and first funded in 1988 through CDA reserve funds. The Program enables older Maryland home owners to gain access to the accumulated equity in their homes without having to sell or move. No repayment of the loan is required until the eligible borrower dies, sells the house, or permanently moves out of the home.

SPECIAL LOAN PROGRAMS

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In 1986, the General Assembly created new special rehabilitation programs to address the housing needs of low-income households. With State general funds, these programs provide low-interest, no-interest, or deferred loans for 20-year terms.

Limited-income home owners and landlords of rental properties who rent to limited-income households may qualify for loans under the Indoor Plumbing Program and the Residential Lead Paint Abatement Program. The *Indoor Plumbing Program* provides loans to finance indoor plumbing and related systems in buildings that lack indoor plumbing or have failing plumbing systems. Loans through the *Residential Lead Paint Abatement Program* finance lead paint abatement in residential buildings.