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* 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).

The Maryland Home Financing Program also stimulates the production and rehabilitation of owner-occupied housing by providing below market loans targeted at households with annual income under $27,650. The Administration encourages local governments and non-profit organizations to contribute local resources for developments funded through this program.

The *Settlement Expense Loan Program* 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* was started by the General Assembly in 1986 and first funded in 1988 through reserve funds of the Community Development Administration. 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.

HOUSING DEVELOPMENT PROGRAMS

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The *Elderly Rental Housing Program* was created by the legislature in 1984. The Program provides below-market-rate or deferred payment loans to developers who agree to construct or rehabilitate rental housing for occupancy by low-income elderly households. Priority is given to developments that serve the lowest income households.

The *Construction Loan Program* was created in 1987 with Community Development Administration reserve funds to provide construction financing to nonprofit organizations and local governments to acquire, build, or rehabilitate single-family owned homes, multifamily rental housing, congregate housing, group homes, and sheltered housing. Housing developed under the Program must be rented or sold to low- and moderate-income persons.

The *HOME Program* finances construction, acquisition, and rehabilitation of rental housing, owner-occupied housing, and special needs housing, such as group homes. The Program was designated by the Governor to allocate funds from the HOME Investment Partnership Program established by the federal National Affordable Housing Act of 1990 (Title II). HOME funds are used in conjunction with the Homeownership, Housing Development and Special Loan Programs of the Community Development Administration. Projects funded must meet federal HOME regulations. For HOME funds used in conjunction with the Community Development Administration, projects must qualify for the Community Development Administration program. Some funds are allocated to an Innovations Fund awarded competitively to stimulate ideas, test new ideas in housing, initiate pilot programs, and support promising projects. Monies from the Innovations Fund are awarded to projects that neither qualify for nor need funds from other programs of the Community Development Administration, or to those which the Administration, as a matter of policy, has elected not to fund under its existing program.

The *Home and Energy Loans Program—Multi-Family* provides loans for energy conservation, home improvements, and general rehabilitation of multifamily rental housing. Loans are made directly through the Community Development Administration for rental housing with one or more units. Funds are generated by the sale of mortgage revenue bonds and taxable bonds. In multifamily developments, a certain percentage of units must be rented to limited-income families.

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 non-profit and for-profit sponsors of low-income housing.

The *Maryland Housing Rehabilitation Program—Multi-Family* is designed to preserve housing by making direct, low-interest loans for repair and renovation to the owners of apartment buildings with five or more units and commercial properties. Recipients of loans for the renovation of rental properties must make units available to low-income tenants in the