

[3-204.] 3-205.

(A) The Department shall promulgate such ELIGIBILITY standards for [the eligibility of] insurance AND OTHER FORMS OF CREDIT ENHANCEMENT TO BE OFFERED as are reasonable to provide that the insurance AND CREDIT ENHANCEMENTS shall aid in:

(1) [the]THE financing of [(1)] the purchase, construction, or rehabilitation [as defined in § 2-302(p) of this article,] of:

(I) [housing] HOUSING PROJECTS; [or (2)]

(II) REHABILITATION PROJECTS;

(III) [energy] ENERGY conservation projects [and];

(IV) [solar] SOLAR energy projects;

(V) PUBLIC PURPOSE PROJECTS; OR

~~(V)~~ (VI) INFRASTRUCTURE PROJECTS; AND

(2) THE SALE OR OTHER TRANSFER OF AN OBLIGATION, WHETHER DENOTED AS BOND, NOTE, COLLATERALIZED OBLIGATION, GRANTOR TRUST, CONDUIT, OR ANY OTHER FORM OF SECURITY OR OBLIGATION HOWEVER DENOTED, BACKED DIRECTLY OR INDIRECTLY BY MORTGAGES OR PAYMENTS DERIVED FROM MORTGAGES.

(B) These standards shall also assure that [the mortgagee] ANY LENDER BENEFITTING FROM INSURANCE OR OTHER CREDIT ENHANCEMENT PROVIDED BY THE DEPARTMENT FOR A LOAN MADE BY THAT LENDER is responsible and able to service the [mortgage] LOAN properly.

[3-206.

(a) In this section, "development costs" has the meaning stated under § 2-203(g) of this article.

(b) Notwithstanding anything to the contrary in this subtitle, the Maryland Housing Fund may insure bridge loans for a portion of the development costs of rental housing projects that are awarded federal low income housing tax credits, which loans are secured by personal rather than real property.

(c) Insurance issued in accordance with this section may not exceed an aggregate principal loan amount of \$30 million.]

3-206.

(A) THE DEPARTMENT SHALL DEPOSIT FUNDS FOR THE MARYLAND HOUSING FUND WITH THE STATE TREASURER TO BE HELD IN SUCH FINANCIAL INSTITUTIONS AS THE TREASURER DEEMS PROPER AND SHALL BE ACCOUNTED FOR BY THE STATE COMPTROLLER IN A SPECIAL ACCOUNT KNOWN AS THE "MARYLAND HOUSING FUND". THESE