

(b) Members of the Authority shall be residents of the State and shall be persons of ability, experience, and integrity. They may be removed by the Governor for misfeasance, malfeasance, or wilful neglect of duty, but only after reasonable notice and a public hearing, unless the notice and hearing are in writing expressly waived. Each member of the Authority before entering upon his duties shall take the constitutional oath of office before the Governor or someone authorized by law to administer oaths, and a record of such oath shall be filed in the office of the Secretary of State.

(c) Members of the Authority shall not receive any compensation for their services, but each member shall be reimbursed for his necessary and proper expenses incurred in the performance of his duties as such.

266FF-1. THE DIVISION OF HOME FINANCING

(A) THERE IS HEREBY CREATED AS A PART OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT THE DIVISION OF HOME FINANCING, HEREINAFTER REFERRED TO IN THIS SUBHEADING AS THE "DIVISION."

(d) (B) The members of the Authority SECRETARY, WITH THE CONSENT OF THE GOVERNOR shall appoint an Executive Director, who shall serve at the pleasure of the Authority SECRETARY, be responsible to it HIM, and receive such salary as may be fixed by the Authority SECRETARY IN THE ANNUAL STATE BUDGET from time to time; he shall be the chief administrative officer of the Authority from time to time; he shall be the chief administrative officer of the Authority DIVISION and the Authority SECRETARY may delegate to him any of its HIS administrative powers and authorizations; he shall be a man PERSON of good character, integrity, and business experience in the field of real estate or mortgage banking.

2 266FF-2.

(a) The Authority DIVISION shall have the power and authority to make loans to disadvantaged and low income citizens of Maryland to be used to finance homes at a preferred rate of interest. The interest charged on any loan shall be at the rate of interest which the State is required to pay for bonds issued to obtain the funds necessary for the making of the loans herein provided, plus an additional rate of one quarter of one percent (1/4%) to be used to offset administrative charges INTEREST AT A LEVEL TO MAKE THE PROGRAM SELF-SUPPORTING. No "points" or other interest may be charged to either the buyer or seller on any purchase made under this Act SUBHEADING. Loans made under the provisions of this article SUBHEADING shall be secured by a first mortgage or FIRST deed of trust on the property purchased.

(b) An applicant must meet each of the following conditions, to be eligible for a mortgage under this section:

(1) AN APPLICANT MUST BE A PURCHASER WHO INTENDS TO RESIDE IN THE DWELLING.

(1) (2) An applicant shall have no previous mortgage in effect at time of application.