

(3) IN ORDER TO FURTHER ASSURE THAT THE PROGRAM DOES NOT INFRINGE ON THE PRIVATE MORTGAGE MARKET, TO CAUSE MORTGAGES TO BE ASSIGNED TO, OR IN APPROPRIATE CASES REFINANCED BY, PRIVATE PERSONS AND FINANCIAL INSTITUTIONS. FOR THIS PURPOSE, MORTGAGES SHALL BE SO WRITTEN AS TO PERMIT THE PREFERRED INTEREST RATE TO BE PROSPECTIVELY INCREASED TO A HIGHER INTEREST RATE, EITHER VARIABLE OR STATED, OR TO ACCELERATE AND BECOME DUE, AT A TIME PRIOR TO NORMAL MATURITY. HOWEVER, THE PREFERRED INTEREST RATE MAY NOT BE INCREASED, NOR THE MORTGAGE ACCELERATED UNTIL EITHER FIVE YEARS HAVE ELAPSED FROM DATE OF ISSUANCE, OR UNTIL THE FINANCIAL CIRCUMSTANCES OF THE MORTGAGORS HAVE CHANGED SO THAT THEY WOULD NO LONGER QUALIFY AS ORIGINAL BORROWERS UNDER THE PROGRAM. THE DEPARTMENT MAY REQUIRE COPIES OF INCOME TAX RETURNS, AND OTHER INFORMATION FROM OR RELATING TO THE MORTGAGORS, ON A CONTINUING BASIS, FOR THE PURPOSE OF DETERMINING WHETHER AN INCREASE OF THE INTEREST RATE, OR ACCELERATION OF THE MORTGAGE, IS PERMISSIBLE AND WARRANTED.

(4) CAUSE MORTGAGES TO BE INSURED BY FEDERAL, STATE, OR PRIVATE INSTRUMENTALITIES AT THE EXPENSE OF THE MORTGAGORS, IF SUCH INSURANCE IS AVAILABLE AND WOULD FURTHER THE OBJECTIVES OF THE PROGRAM.

(5) CONTRACT FOR SERVICES RELATING TO ANY ASPECT OF THE OPERATIONS OF THE PROGRAM IN ACCORDANCE WITH PROCEDURES REQUIRED BY LAW FOR STATE CONTRACTS.

(6) ADOPT, AND AMEND FROM TIME TO TIME, IN ACCORDANCE WITH STATUTORY REQUIREMENTS, REGULATIONS GOVERNING ALL ASPECTS OF THE OPERATION OF THE PROGRAM.

266FF-3. PENALTIES.

WHOEVER KNOWINGLY MAKES OR CAUSES TO BE MADE ANY FALSE STATEMENT OR REPORT FOR THE PURPOSE OF INFLUENCING THE ACTION OF THE DEPARTMENT UPON ANY APPLICATION FOR A LOAN OR ANY ACTION OF THE DEPARTMENT AFFECTING A LOAN ALREADY MADE, IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION SHALL BE ~~[[SENTENCED TO A FINE OF]]~~ FINED NOT MORE THAN \$5,000 OR ~~[[IMPRISONMENT FOR]]~~ IMPRISONED NOT MORE THAN TWO YEARS OR BOTH. ANY MORTGAGOR KNOWINGLY MAKING OR CAUSING TO BE MADE SUCH A FALSE STATEMENT OR REPORT SHALL AT THE OPTION OF THE DEPARTMENT, AND WITHOUT REGARD TO THE COMMENCEMENT OR STATUS OF CRIMINAL PROSECUTION, BE SUBJECT TO IMMEDIATE ACCELERATION OF THE MORTGAGE ON WHICH HE IS LIABLE. THE CRIMINAL PENALTIES AND ACCELERATION PROVIDED BY THIS SECTION APPLY TO ANY MATERIAL MISSTATEMENT OF FACT, WHETHER IN THE NATURE OF AN UNDERSTATEMENT OR OVERSTATEMENT OF FINANCIAL CONDITION, OR ANY OTHER FACT MATERIAL TO THE DEPARTMENT'S ACTIONS.