

THAT, ABSENT SOME MAJOR ASSISTANCE BY THE STATE, THIS SHORTAGE WILL LIKELY CONTINUE.

(B) THIS SHORTAGE HAS HAD, AND WILL CONTINUE TO HAVE, SERIOUS DETRIMENTAL EFFECTS UPON THE ECONOMY OF THE STATE AND UPON THE HEALTH AND WELFARE OF ITS CITIZENS. SOME OF THESE EFFECTS ARE:

(1) A MAJOR RECESSION IN THE REAL ESTATE, CONSTRUCTION, AND RELATED INDUSTRIES BECAUSE OF THE INABILITY OF PERSONS TO OBTAIN FINANCING TO PURCHASE HOMES, WHICH NOT ONLY CAUSES SERIOUS UNEMPLOYMENT IN THOSE INDUSTRIES, BUT LEADS TO DEPRESSED CONDITIONS AND UNEMPLOYMENT IN OTHER INDUSTRIES AS WELL;

(2) ADDING TO AN ALREADY CRITICAL SHORTAGE OF SAFE AND SANITARY HOUSING FOR THE CITIZENS OF MARYLAND; AND

(3) INHIBITING THE DEVELOPMENT OF THE STATE'S ECONOMY BY DISCOURAGING PEOPLE AND INDUSTRY FROM LOCATING IN THE STATE.

(C) THE EXISTING STATE PROGRAMS OF COMMUNITY DEVELOPMENT ASSISTANCE, HOME MORTGAGE INSURANCE, AND DIRECT LOANS ARE NOT ADEQUATE TO MEET THE CRITICAL AND GROWING NEED FOR HOME MORTGAGE FUNDS, EVEN WHEN COUPLED WITH CURRENT FEDERAL EFFORTS.

(D) THE PURPOSE OF THIS ACT IS TO PROVIDE, IN COOPERATION WITH THE NETWORK OF BANKS AND SAVINGS INSTITUTIONS IN THE STATE, SUBSTANTIAL AMOUNTS OF FUNDS TO FINANCE THE PURCHASE OF NEW AND EXISTING SINGLE FAMILY RESIDENCES IN MARYLAND.

458. DEFINITIONS.

(A) THE FOLLOWING WORDS, AS USED IN THIS SUBTITLE, HAVE THE MEANINGS INDICATED UNLESS THE CONTEXT OF THEIR USE REQUIRES OTHERWISE.

(B) "AUTHORITY" MEANS THE MARYLAND HOME FINANCE AUTHORITY.

(C) "BONDS" INCLUDES NOTES AND OTHER EVIDENCES OF INDEBTEDNESS.

(D) "HOME MORTGAGE LOAN" MEANS A LOAN SECURED BY A FIRST MORTGAGE OR FIRST DEED OF TRUST UPON A SINGLE FAMILY RESIDENCE LOCATED IN MARYLAND, WHICH IS INSURED OR GUARANTEED BY THE VETERANS' ADMINISTRATION, THE FEDERAL HOUSING ADMINISTRATION, THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT PURSUANT TO § 257K OF THIS ARTICLE, ANY PRIVATE MORTGAGE INSURANCE COMPANY APPROVED BY THE