

FLOW THEREFROM, TOGETHER WITH OTHER ESTIMATED FUNDS OF THE AUTHORITY WILL BE SUFFICIENT FOR THE AUTHORITY:

(1) TO PAY PRINCIPAL, INTEREST, AND ANY SINKING FUND PAYMENTS ON THE BONDS ISSUED BY THE AUTHORITY TO WHICH THE HOME MORTGAGE LOANS ARE PLEDGED AS AND WHEN THEY BECAME DUE; AND

(2) TO PAY OR COVER ALL FEES AND EXPENSES FOR SERVICING THE HOME MORTGAGE LOANS; AND

(3) TO COVER ADMINISTRATIVE EXPENSES AND PROVIDE REASONABLE RESERVES FOR THE SECURITY OF THE BONDS.

(D) THE AUTHORITY SHALL, UNLESS IT DETERMINES THAT IT IS NOT FEASIBLE TO DO SO, ENTER INTO SERVICING AGREEMENTS WITH MORTGAGE LENDERS OR OTHER PERSONS COMPETENT TO SERVICE MORTGAGE LOANS, FOR THE SERVICING OF THE HOME MORTGAGE LOANS PURCHASED BY IT OR IN WHICH IT PARTICIPATED. THE AUTHORITY MAY PAY A REASONABLE SERVICING FEE NOT IN EXCESS OF THE FEES GENERALLY CHARGED FOR SUCH SERVICES.

(E) ANY AGREEMENT UNDER WHICH THE AUTHORITY PARTICIPATES IN THE MAKING OF NEW HOME MORTGAGE LOANS OR PURCHASES LESS THAN AN ENTIRE INTEREST IN A HOME MORTGAGE LOAN SHALL INCLUDE A PROVISION THAT, AS BETWEEN THE AUTHORITY AND THE MORTGAGE LENDER, OR THE SUCCESSORS AND ASSIGNS OF THE MORTGAGE LENDER, IN THE EVENT OF ANY LOSS ON THE LOAN, THE [[LOSS SHALL BE SHARED IN THE FOLLOWING MANNER. THE MORTGAGE LENDER, OR ITS SUCCESSOR OR ASSIGN, SHALL BEAR A PERCENTAGE OF THE LOSS EQUAL TO 150% OF ITS PERCENTAGE OWNERSHIP OF THE LOAN, BUT NOT EXCEEDING THE ENTIRE LOSS. THE AUTHORITY SHALL BEAR THE DIFFERENCE]] INTEREST OF THE AUTHORITY SHALL BE SUPERIOR TO AND HAVE PRIORITY OVER THE INTEREST OF THE MORTGAGE LENDER.

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(A) THE AUTHORITY MAY PROVIDE BY RESOLUTION FOR THE ISSUANCE OF BONDS OF THE AUTHORITY FOR THE PURPOSE OF FINANCING THE PROGRAMS AUTHORIZED IN THIS SUBTITLE. THERE SHALL NOT BE OUTSTANDING AT ANY TIME [[IN]] AN AGGREGATE PRINCIPAL AMOUNT OF BONDS EXCEEDING [[(\$200,000,000)] \$100,000,000, EXCLUDING BONDS WHICH HAVE BEEN REFUNDED. THIS STATUTORY MAXIMUM SHALL NOT BE CONSTRUED AS CONSTITUTING A CONTRACT BETWEEN THE AUTHORITY OR THE STATE AND THE HOLDERS OF ANY OF THE BONDS OF THE AUTHORITY THAT ADDITIONAL BONDS MAY NOT BE ISSUED IF THE STATUTORY MAXIMUM IS SUBSEQUENTLY INCREASED BY LAW.

(B) THE AUTHORITY HAS ABSOLUTE DISCRETION TO