(III) THE INTEREST COST OF MONEYS USED TO FUND THE PROGRAM, WHICH MAY BE THE ACTUAL INTEREST COST OF MONEYS BORROWED BY THE STATE AND APPROPRIATED TO THE PROGRAM, OR THE IMPUTED INTEREST COST OF GENERAL FUNDS OR LOAN REPAYMENTS APPROPRIATED TO THE PROGRAM; AND

(2) NOT LESS THAN A RATE THAT IS 5 PERCENTAGE POINTS BELOW THE PREVAILING RATE ON COMPARABLE LOANS MADE BY PRIVATE LENDERS AS DETERMINED BY THE DEPARTMENT, UNLESS THE DEPARTMENT ALSO DETERMINES THAT THE PREVAILING RATE IS SO HIGH THAT THIS CONDITION IS NOT COMPATIBLE WITH BOTH PRUDENT LOAN UNDERWRITING STANDARDS AND WITH THE INCOME LIMITS ESTABLISHED UNDER § 13-306(D) OF THIS SUBTITLE.

13-308.

(A) THE PROGRAM SHALL OPERATE AS A CONTINUING, NONLAPSING, SPECIAL FUND, THAT CONSISTS OF MONEYS APPROPRIATED BY THE STATE TO THE PROGRAM.

(B) THE DEPARTMENT SHALL USE THE FUND TO MAKE LOANS AND TO PAY EXPENSES OF THE PROGRAM, AS PROVIDED IN THE ANNUAL BUDGET OF THE STATE OR OTHER ACT APPROPRIATING MONEYS.

(C) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND. THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER AS OTHER STATE FUNDS. ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE STATE GENERAL TREASURY.

(D) THE STATE MAY APPROPRIATE TO THE FUND, IN THE STATE BUDGET, ALL OR PART OF THE MONEYS RECEIVED AS REPAYMENTS OF PRINCIPAL OR INTEREST ON ALL LOANS. THE APPROPRIATION MAY BE INCREASED BY BUDGET AMENDMENT. THE AMOUNT OF REPAYMENTS SO APPROPRIATED FOR THE PURPOSE OF MAKING LOANS MAY NOT EXCEED $12,000,000 ANNUALLY. THE STATE MAY NOT APPROPRIATE REPAYMENTS OF PRINCIPAL AND INTEREST TO THE PROGRAM TO THE EXTENT THAT LOANS EXPECTED TO BE MADE WITH MONEYS APPROPRIATED WOULD CAUSE THE TOTAL PRINCIPAL AMOUNT OF LOANS OUTSTANDING TO EXCEED $100,000,000.

(E) THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY BEFORE JANUARY 1 OF EACH YEAR THE FINANCIAL STATUS OF THE PROGRAM AND A SUMMARY OF ITS OPERATIONS FOR THE PRECEDING FISCAL YEAR.

13-311.

(b) Except as provided in subsection (c) of this section to qualify for a loan, an applicant:

(5) Shall be within the [income] limits ON ADJUSTED ANNUAL INCOME set by the Department.