

(2) The Department shall allocate and annually reallocate the fund, among the counties, to ensure that all areas of Maryland are served, taking into account (i) the number of families of limited incomes in the county, (ii) the need for rehabilitation of buildings in the county, (iii) the extent of the capability of the county to administer a rehabilitation program, and (iv) any other criteria the Department deems relevant to ensure fair and equitable distribution of funds among the counties. In making its allocations, the Department may initially allocate on a countywide basis, and then make suballocations among participating political subdivisions within the counties.

(3) Each political subdivision certified by the Department as capable of administering a rehabilitation program may originate and administer loans made by the Department from the annual allocation or suballocation to the political subdivision, in accordance with regulations promulgated by the Department. The Department shall, by regulation, establish criteria for determining capability which shall include the size, training and experience of the professional staff responsible for the administration of a program and the capabilities of the staff for determining local rehabilitation needs, for establishing rehabilitation programs, for evaluating applications for rehabilitation loans, and for monitoring the loans and the rehabilitation work done under these loans. If the Department determines that a political subdivision is not capable or does not desire to administer a rehabilitation program, the Department may originate and administer loans from the annual allocation or suballocation to that political subdivision.

(4) The Department may assist in training employees of political subdivisions to help achieve and increase their capability to administer rehabilitation programs in accordance with the criteria determined by the Department. The Department may provide technical assistance and advice to the political subdivisions on the administration of their rehabilitation programs.

(5) The Department shall consult from time to time with an advisory council which consists of eight members appointed by the Secretary of the Department, at least five of whom shall be representatives of political subdivisions.

(6) Loans may not exceed an amount the Secretary shall establish by regulation and they may not be made where comparable private financing is available to the prospective borrowers. Loans over \$5,000 shall be secured by a recorded mortgage or deed of trust on the property. Loans shall be made from the fund to families of limited income owning and occupying the building to be rehabilitated, or to sponsors.