Loans may be either insured or uninsured as the Department requires, and shall be at a rate of interest that is, as long as the State complies with any applicable federal treasury regulations governing the borrowing of moneys by the State:

(i) At least sufficient to cover:

1. All administrative and other expenses of the program;

2. Reasonably expected losses due to defaults on loans; and

3. 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

(ii) 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:

1. 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 § 257L(b)(4) of this subtitle; or

2. The Department also determines that a rate that is more than 5 percentage points below the prevailing rate is necessary to comply with federal treasury regulations governing the borrowing of moneys by the State.

(7) The Department shall establish a maximum percentage or amount of loans made from the fund which may be used for nonresidential rehabilitation.

(8) The program shall be administered to the maximum extent possible in conjunction with federal programs assisting rehabilitation of housing, so as to insure maximum utilization of available federal funds.

(9) The program shall be administered, to the maximum extent possible, consistently with locally approved plans or programs of concentrated neighborhood revitalization.

(D) (1) THE MIGRATORY WORKER HOUSING FACILITIES PROGRAM IS CREATED WITHIN THE MARYLAND HOUSING REHABILITATION PROGRAM.