

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

(6) -- Loans -- may -- not -- exceed an amount the { Secretary } COMMISSION 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. -- Loans may be either insured or uninsured as the { Department } COMMISSION 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 } COMMISSION, unless:

1. -- The -- { Department } -- COMMISSION -- 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 -- § 257E (b) (4) -- of this subtitle; -- or

2. -- The -- { Department } -- COMMISSION -- 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 } -- COMMISSION -- 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