

(2)--The {Department} COMMISSION shall use the fund to make loans and to pay expenses of the program including reserves for anticipated future losses directly related to the program, as provided in the annual budget of the State or other act appropriating moneys.

(3)--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.

(4)--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 made by the program at any time. 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 the moneys appropriated would cause the total principal amount of loans outstanding to exceed \$100,000,000.

(5)--If there is no appropriation to the fund in the State budget of part or all of the moneys received as repayments of principal or interest on the loans, the moneys not appropriated shall be:

(i)--Credited to the Annuity Bond Fund to be used to pay the principal of or interest on moneys borrowed by the State and appropriated to the program, or

(ii)--Paid into the State General Treasury to reimburse the State for administrative and other costs of the program previously paid from the fund.

(6)--Prepayments of principal of a loan may be used to make additional loans under the program. Any moneys not so used within 12 months from the date of the receipt of such prepayment shall be applied as provided in paragraph (5) of this subsection.

(7)--The {Department} COMMISSION shall report to the Governor and, subject to Article 40, § 51 of the Code, to 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.

{Community Development Administration} MARYLAND HOUSING COMMISSION

266DB-1-

(a)--It is found and declared that in this era of rapid population growth and expansion and of increasing urbanization, there is a need, in many areas of the State, to promote sound community development.