

(1)--Reasonable-----minimum-----requirements-----of creditworthiness;-and

(2)--Upper-limits--on--adjusted--annual--income--The limits-may-not-exceed;-but-may-be-less-than;-median-annual-family income--for-the-county-or-region-where-the-home-to-be-financed-is located-

(e)--The--{Department}-COMMISSION--may--adopt--rules--and regulations--to--carry--out--the--program--in--conformance--with statutory-requirements-

(f)--Subject-to--subsection--(b)--of--this--section--and--in accordance--with--the--procedures--required--by--law--for--State contracts;-the--{Department}-COMMISSION-may-contract-for--services relating-to-the-program-

(g)--The--{Department}-COMMISSION-may-contract-with-private mortgage-servicers-to-perform--on--behalf--of--the--{Department}-COMMISSION--functions--ordinarily--performed--by-private-mortgage servicers;-including-

(1)--Foreclosures;-and

(2)--Employment-of-counsel-

(h)--The--{Department}-COMMISSION--may--set--a--nonrefundable application--fee--and--need--not--return--any--amounts--not--spent--to process-the-application-

13-307-

The--{Department}-COMMISSION--periodically--shall--set--a preferred--interest--rate--that;-as-long-as-moneys-borrowed-by-the State-are--appropriated--to--the--program;-complies--with--any applicable--federal--treasury--regulations-governing-the-borrowing of-moneys-by-the-State--The-preferred-interest-rate-shall-be-

(1)--At-least-sufficient-to-cover-

(i)--All-administrative-and--other--expenses--of the-program;

(ii)--Reasonably-expected-losses-due-to-defaults on-loans;-and

(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}-COMMISSION;-unless-