

(i) The Department and 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 § 13-306(d) of this subtitle; or

(ii) The Department and 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.

13-308.

(a) The program shall operate as a continuing, nonlapsing, special fund that consists of moneys appropriated by the State to the program.

(b) The Department and 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.

(c) 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.

(d) 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. 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 moneys appropriated would cause the total principal amount of loans outstanding to exceed \$100,000,000.

(e) 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:

(1) Credited to the Annuity Bond Fund to be used to pay the principal or interest on moneys borrowed by the State and appropriated to the program; or

(2) Paid into the State general treasury to reimburse the State for administrative and other costs of the program previously paid from the fund.