

construction, or operation of housing or housing projects for persons of eligible income, is deleted as surplusage.

SUBTITLE 2. BONDS.

16-201. BONDS ISSUED BY MONTGOMERY COMMISSION.

(A) POWER OF COUNTY TO GUARANTEE PRINCIPAL AND INTEREST.

MONTGOMERY COUNTY MAY PROVIDE BY LOCAL LAW FOR THE COUNTY'S GUARANTEE OF THE PRINCIPAL AND INTEREST ON BONDS THAT THE MONTGOMERY COMMISSION ISSUES:

(1) TO FINANCE THE ACQUISITION, PROVISION, DEVELOPMENT, OR REHABILITATION OF HOUSING AT RENTAL RATES AND PRICES NOT BEING OFFERED IN ADEQUATE QUANTITY BY THE PRIVATE SECTOR; OR

(2) TO FINANCE WHOLLY OR PARTLY:

(I) MORTGAGE LOANS SECURED BY THE HOUSING; AND

(II) FUND-RELATED RESERVES AND COSTS THAT ARE APPROVED UNDER THIS SUBTITLE.

(B) REQUIRED INSURANCE FOR MORTGAGE LOANS.

WHEN A MORTGAGE LOAN IS FINANCED PARTLY BY BONDS GUARANTEED BY MONTGOMERY COUNTY AND PARTLY BY BONDS NOT SO GUARANTEED, THE PART OF THE MORTGAGE LOAN THAT IS FINANCED BY BONDS NOT SO GUARANTEED SHALL BE INSURED BY:

(1) THE FEDERAL HOUSING ADMINISTRATION;

(2) THE MARYLAND HOUSING FUND;

(3) A PRIVATE MORTGAGE INSURER THAT IS:

(I) AUTHORIZED TO DO BUSINESS IN THE STATE; AND

(II) APPROVED BY THE FEDERAL NATIONAL MORTGAGE ASSOCIATION OR THE FEDERAL NATIONAL MORTGAGE LOAN CORPORATION; OR

(4) MORE THAN ONE OF THESE INSURERS.

REVISOR'S NOTE: This section is new language derived without substantive change from the first and second sentences of former Art. 44A, § 2-103(a)(1) and the fourth sentence of (a)(4).

In subsection (a) of this section, the former phrase "[n]otwithstanding any other provision of this section and § 1-501 of this article" is deleted as unnecessary because no other provision prohibits the power of the county to provide by local law for the county's guarantee of the principal and interest on bonds.