

- (1) Foreclosures; and
- (2) Employment of counsel.

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

13-307.

(a) The Department 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.

(b) The preferred interest rate shall be 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.

(c) The Department may set a lower rate or rates of interest FOR OWNER-OCCUPANTS if:

(1) The loans serve borrowers whose incomes do not exceed 80 percent of the maximum income limits that the Department may establish;

(2) The lower rate or rates are not less than the greater of 60 percent of the actual interest cost of moneys used to fund the program or a rate of 4 percent; and

(3) The Secretary determines that the borrowers served by these loans do not have sufficient income to repay a loan at a higher rate.

~~(D) -- THE -- DEPARTMENT -- MAY -- SET -- A -- LOWER -- RATE -- OR -- RATES -- OF -- INTEREST -- FOR -- GROUP -- HOME -- SPONSORS -- IF --~~

~~(1) -- THE -- GROUP -- HOMES -- ARE -- TO -- BE -- OCCUPIED -- IN -- SUBSTANTIAL -- PART -- BY -- INDIVIDUALS -- OR -- FAMILIES -- WHOSE -- INCOMES -- DO -- NOT -- EXCEED -- 80 -- PERCENT -- OF -- THE -- MAXIMUM -- INCOME -- LIMITS -- THAT -- THE -- DEPARTMENT -- MAY -- ESTABLISH, -- IN -- WHICH -- CASE -- THE -- RATE -- MAY -- NOT -- BE -- LESS -- THAN -- THE -- GREATER -- OF --~~