

(2) Except as provided in paragraph (3) of this subsection, the interest rate of a loan may not be increased and the maturity may not be accelerated unless:

(i) 5 years have passed from the date of the loan; [or]

(ii) The financial circumstances of the OWNER-OCCUPANT borrower have changed and the borrower no longer would qualify as an original borrower under the program; OR

(III) THE GROUP HOME SPONSOR NO LONGER PROVIDES A GROUP HOME.

(3) If a borrower violates §13-317 of this subtitle, the Department immediately may accelerate the maturity.

(c) To determine whether to increase the interest rate or accelerate maturity, the Department, on a continuing basis, may require any information from or relating to the borrower, including certified copies of State income tax returns.

(D) IN THE CASE OF LOANS TO GROUP HOME SPONSORS WHICH-ARE NONPROFIT-ORGANIZATIONS, PAYMENT OF PRINCIPAL AND INTEREST MAY BE DEFERRED UNTIL:

(1) A STATED DATE, WHICH MAY BE THE MATURITY DATE;

(2) THE DATE OF ANY SALE OR OTHER TRANSFER OF THE GROUP HOME OR A SUBSTANTIAL CONTROLLING INTEREST IN THE HOME; OR

(3) DISCONTINUANCE OF USE AS A GROUP HOME.

(E) THE DEPARTMENT SHALL ADOPT REGULATIONS THAT PLACE LIMITS ON THE RETURN ON EQUITY ALLOWED TO A GROUP HOME SPONSOR AND THAT PROVIDE PROCEDURES FOR THE DEPARTMENT TO ENTER INTO AN EQUITY PARTICIPATION AGREEMENT WITH A GROUP HOME SPONSOR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

Approved May 27, 1986.

-----