

(ii) Upper limits on adjusted annual income.

(2) The limits on adjusted annual income 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 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 may contract for services relating to the program.

(g) The Department may contract with private mortgage servicers to perform on behalf of the Department functions ordinarily performed by private mortgage servicers, including:

- (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;