[(6)] (F) Prepayments of principal of a loan may be used to make additional loans under the program. Any moneys not so used within 12 months from the date of the receipt of such prepayment shall be applied as provided in [paragraph (5) of this subsection] SUBSECTION (E) OF THIS SECTION.

[(7)] (G) The Department shall report to the Governor and, subject to § 2-1312 of the State Government Article, to the General Assembly before January 1 of each year the financial status of the program and a summary of its operations for the preceding fiscal year.

[(8)] (H) Each of the special loan programs shall operate with moneys appropriated by the State to the fund specifically for each such program, and such other moneys or grant funds available to the Department for the special loan programs. In the event the number of applications which qualify for a special loan under the requirements of a particular special loan program are insufficient to commit all moneys appropriated to the program within 6 months of the appropriation, then the Department may reallocate any remaining moneys appropriated to that program to any other special loan program or the Maryland Housing Rehabilitation Program.

SUBTITLE 4. RESIDENTIAL MORTGAGE PROGRAM

[11-703.] 2-401.

(a) [The following legislative findings are made.] THE GENERAL ASSEMBLY MAKES THE LEGISLATIVE FINDINGS STATED IN THIS SECTION.

[(1)] (B) As a result of the continuing increases in: the cost of construction or rehabilitation, county taxes, heating and electricity expenses, maintenance and repair expenses, inflation, the cost of land, the cost of energy conservation measures, and the levels of borrowing costs, including interest, low and moderate income persons and families in many areas within Allegany, Anne Arundel, Calvert, Frederick, Howard, Kent, Washington, and Worcester counties, including areas which contain presently stable neighborhoods and middle class residential housing, are unable to purchase, rehabilitate, and maintain decent, safe, and sanitary housing which provides an opportunity for home ownership either directly or through a condominium or cooperative form of ownership. The inability of families to purchase and hold housing in the counties results in the decline of new housing and in the decay of existing housing and of existing neighborhoods with attendant increases in costs for welfare, police and fire protection. The decline in new housing construction, together with the decay of existing housing, has produced a critical shortage of adequate housing in the counties adversely affecting the economy of the counties and the well-being of their residents. Private enterprise without the