paying some or all of the operating costs of a project including the principal and interest when due on any prior mortgage loan securing the rental housing production project.

(c) The Department may modify the rate of interest, the time or amount of payment, or any other term of a loan in order to ensure repayment of the loan and achieve the purposes of the Program.

[11-807.] 2-507.

(a) The Department shall approve applications for proposed rental housing production projects only if the political subdivision in which a proposed project is situated has approved the project and has made a contribution to reduce the development costs or operating costs or otherwise support the project.

(b) The Department shall consider in approving applications for loans:

(1) The economic feasibility of the project;

(2) The political subdivision's contribution for the project in relation to the subdivision's ability to contribute; and

(3) Other factors that may be relevant.

[11-808.] 2-508.

By regulation, the Department may establish:

(1) Standards of eligibility for sponsors;

(2) Limitations on the return on investment allowed to sponsors;

(3) Requirements for the number of bedrooms in a project for each income range;

(4) Loan terms, fees, and charges;

(5) Incentives for nonprofit organizations to participate in the Program including reserving a portion of the Fund for a period of time for loans to nonprofit organizations and allowing advance payment to nonprofit organizations for certain development costs including architect's, engineer's, and attorney's fees; and

(6) A process for selection of projects that ensures a broad geographic distribution of funds.

[11-809.] 2-509.