

(3) The preferred interest rate;

(4) The repayment terms; and

(5) An increased rate of interest or accelerated payment of principal and interest if the group home borrower no longer qualifies for the loan.

(b) (1) Subject to paragraph (2) of this subsection, as long as it complies with any applicable federal treasury regulations governing the borrowing of moneys by the State, a loan to an owner-occupant borrower or a loan to a group home sponsor may permit:

(i) The interest rate to be increased:

1. Variably; or

2. To a stated rate; or

(ii) Acceleration of maturity.

(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;

(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 § 2-617 of this subtitle or the loan is in default, 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, 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 controlling interest in the home; or