

(F) (1) FOR PREFERRED INTEREST LOANS MADE UNDER § 2-602(1) OF THIS SUBTITLE, THE AMOUNT OF THE LOAN AND ANY PRIOR RECORDED LIENS OUTSTANDING MAY NOT EXCEED THE VALUE OF THE SECURED PROPERTY PLUS SETTLEMENT EXPENSES AS MAY BE DETERMINED BY THE PROGRAM AT THE TIME THE LOAN IS CLOSED.

(2) FOR REVERSE EQUITY LOANS MADE UNDER § 2-602(4) OF THIS SUBTITLE, THE PRINCIPAL AMOUNT OF THE LOAN AND ANY PRIOR LIENS OUTSTANDING MAY NOT EXCEED THE APPRECIATED VALUE OF THE SECURED PROPERTY AS DETERMINED BY THE PROGRAM FROM TIME TO TIME.

(3) FOR SHORT-TERM CONSTRUCTION LOANS MADE UNDER § 2-602(2) OF THIS SUBTITLE, THE AMOUNT OF THE LOAN MAY NOT EXCEED THE AMOUNT OF THE COMMITMENT FOR PERMANENT FINANCING FOR BUYERS.

(G) WITH FULL DISCLOSURE TO THE BORROWER AT THE TIME THE LOAN IS MADE, THE DEPARTMENT MAY MAKE ADJUSTABLE INTEREST RATE MORTGAGES, WHERE ANY RATE ADJUSTMENT FOLLOWS WRITTEN NOTICE TO THE BORROWER AND IS BASED ON AN INCREASE OR DECREASE IN THE HOUSEHOLD'S INCOME.

(H) IN THE EVENT OF DEFAULT, THE DEPARTMENT MAY MODIFY THE RATE OF INTEREST, THE TIME OR AMOUNT OF PAYMENT, OR ANY OTHER TERM OF THE LOAN, IN ORDER TO ENSURE REPAYMENT OF THE LOAN AND ACHIEVE THE PURPOSES OF THE PROGRAM.

(I) IN CONNECTION WITH A MORTGAGE SECURING A LOAN MADE IN CONFORMANCE WITH THE REQUIREMENTS OF THIS SUBTITLE, THE DEPARTMENT MAY PERMIT:

(1) TRANSFER OF THE MORTGAGED PROPERTY OR AN INTEREST THEREIN WITHOUT MONETARY CONSIDERATION TO A SPOUSE, CHILD, OR OTHER IMMEDIATE FAMILY MEMBER, OR IN CONNECTION WITH THE DEATH OF A BORROWER, A DIVORCE DECREE, OR A LEGAL SEPARATION AGREEMENT; AND

(2) ASSUMPTION OF THE MORTGAGE BY TRANSFEREES DESCRIBED IN SUBSECTION (I)(1) OF THIS SECTION FOR MONETARY CONSIDERATION AND BY ANY OTHER TRANSFEREE WITH OR WITHOUT CONSIDERATION SO LONG AS THE TRANSFEREES QUALIFIES AS A HOUSEHOLD OF LIMITED INCOME AND SATISFIES ALL OTHER PROGRAM REQUIREMENTS.

(J) FOR A DEVELOPER OF HOUSING WHICH WILL BE PRICED SO AS TO BE AFFORDABLE TO HOUSEHOLDS OF LIMITED INCOME, THE DEPARTMENT MAY COMMIT TO RESERVE, FOR A FIXED PERIOD OF TIME, A FIXED AMOUNT OF PROGRAM FUNDS TO BE AVAILABLE TO FINANCE PREFERRED INTEREST RATE MORTGAGE LOANS FOR QUALIFYING HOUSEHOLDS OF LIMITED INCOME WHO SEEK TO PURCHASE SUCH DEVELOPER'S FULLY CONSTRUCTED OR REHABILITATED HOMES.

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THE DEPARTMENT MAY: