

earnings shall be paid into the Fund. [Any repayment of loans from the Fund shall be paid into the Fund.]

(D) AT ANY TIME FOLLOWING THE FIRST 8 MONTHS OF ANY FISCAL YEAR, THE DEPARTMENT MAY TRANSFER, SUBJECT TO THE PROVISIONS OF § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, UNENCUMBERED MONEYS IN THE RENTAL HOUSING PROGRAMS FUND TO ANY OTHER FUND ESTABLISHED UNDER THIS TITLE, EXCEPT AS MAY OTHERWISE BE PROVIDED IN THE STATE BUDGET.

2-506.

(b) A loan may be used:

(1) For capital assistance to finance all or a portion of the development costs of a rental housing production project, in which case the loan shall be secured by a mortgage lien; or

(2) For operating assistance to reduce the operating costs of a rental housing production project by depositing the loan proceeds in an interest bearing [escrow] account subject to the control of the Department that shall be made available for 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.

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] SUPPORTS the project.

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] SPONSORS to participate in the Program including reserving a portion of the Fund for a period of time for loans to nonprofit