

LOANS TO FINANCE HOUSING WHICH WOULD SERVE OCCUPANTS IN SUCH LOWER INCOME RANGES.

[(g)] (H) (1) Loans may not exceed an amount the Secretary shall establish by regulation and they may not be made where THE DEPARTMENT HAS DETERMINED THAT comparable private financing is available to the prospective borrowers.

(2) Loans over \$5,000 shall be secured by a recorded mortgage or deed of trust on real property.

(3) Loans shall be made from the fund to families of limited income owning and occupying the building to be rehabilitated, or to sponsors or nonprofit sponsors.

(4) Loans may be either insured or uninsured as the Department requires.

(5) Loans may cover the costs of a rehabilitation project and closing costs of the loan. Loans may cover costs related to the implementation of a rehabilitation project such as appraisal fees or architectural and engineering fees.

(6) MODIFICATIONS TO THE RATE OF INTEREST, THE TIME OR AMOUNT OF PAYMENT, OR ANY OTHER TERM OF A LOAN WHICH IS IN DEFAULT MAY BE MADE BY THE DEPARTMENT IN ORDER TO ENSURE REPAYMENT OF THE LOAN AND ACHIEVE THE PURPOSES OF THE PROGRAM.

(7) TO THE EXTENT THE DEPARTMENT HAS PROVIDED A LOAN FOR THE FINANCING OF A RESIDENTIAL REHABILITATION PROJECT, THE SPONSOR OR NONPROFIT SPONSOR MUST PROVIDE A PROPORTIONATE SHARE OF THE DWELLING UNITS FOR OCCUPANCY BY FAMILIES OF LIMITED INCOME FOR A TERM OF 5 YEARS OR MORE DEPENDING ON THE TYPE OF REHABILITATION AND THE TERMS AND CONDITIONS OF THE LOAN AS SHALL BE SET FORTH IN REGULATIONS TO BE PROMULGATED BY THE DEPARTMENT.

(8) AS A CONDITION TO CERTAIN TYPES OF LOANS, THE DEPARTMENT MAY REQUIRE A CONTRIBUTION TO A REHABILITATION PROJECT FROM THE POLITICAL SUBDIVISION WHERE THE PROJECT IS LOCATED.

(9) THE SECRETARY SHALL ESTABLISH CRITERIA TO ENSURE THE MAXIMUM USE OF ANY AVAILABLE PRIVATE FINANCING. IF A PORTION OF REHABILITATION IS TO BE FINANCED BY A PRIVATE LENDING INSTITUTION, THE DEPARTMENT SHALL REQUIRE THAT THE SPONSOR UTILIZE THE MAXIMUM AMOUNT OF PRIVATE FINANCING WHICH THE PROJECT CAN SUPPORT WITHOUT IMPAIRING THE FEASIBILITY OF THE PROJECT AND, IF RESIDENTIAL, OF PROVIDING AFFORDABLE HOUSING TO LIMITED-INCOME TENANTS.

~~{(2)}--Except--as--provided--in--paragraph--(3)--of--this subsection,--loans~~ (10) LOANS MADE BY THE MARYLAND HOUSING REHABILITATION PROGRAM shall be at a rate of interest that is, as long as the State complies with any applicable federal treasury