

regulations governing the borrowing of moneys by the State, at least sufficient to cover:

(i) All administrative and other expenses of the program; AND

(ii) Reasonably expected losses due to defaults on loans; and.

~~(iii) The interest cost of moneys used to fund the program, which may be the actual interest cost of moneys borrowed by the State and appropriated to the program, or the imputed interest cost of general funds or loan repayments appropriated to the program.~~

[(3) For any loan financing a rehabilitation project for a residential building, the Department may set a lower rate or rates of interest if:

(i) The loans serve families of limited income whose incomes do not exceed 80 percent of the maximum income limits that the Secretary may establish and the lower rate or rates are not less than the greater of 60 percent of the actual interest cost of moneys used to fund the program or a rate of 4 percent; or

(ii) The building is to be occupied in substantial part by families of limited income whose incomes are less than 70 percent of the maximum income limits that the Department may establish in which case the lower rate or rates may be as low as zero percent; and

(iii) The Secretary determines that the families of limited income served by these loans do not have sufficient income to repay a loan at a higher rate or to pay rent in an amount that would enable a sponsor or a nonprofit sponsor to repay a loan at a higher rate.]

[(4)] (I) The Department shall include in its request for appropriations for the Program any information requested by the Secretary of Budget and Fiscal Planning ~~about loans at lower rates of interest which~~ AND shall include, at a minimum, an estimate of the ~~lower~~ rates of interest at which eligible loans may be made and the aggregate principal amount of loans expected to be made ~~at the lower rates~~ in the coming fiscal year.

[(h)] (J) The Department shall establish a maximum percentage or amount of loans made from the [fund] RENTAL HOUSING PROGRAMS FUND which may be used for nonresidential rehabilitation.