

(B) (1) THE DEPARTMENT SHALL ANNUALLY RESERVE A PORTION OF THE FUNDS AVAILABLE FOR FINANCIAL ASSISTANCE UNDER THE PROGRAM FOR LOANS TO SCHOOLS AND HOSPITALS.

(2) IN A FISCAL YEAR IN WHICH REQUESTS FOR FINANCIAL ASSISTANCE FROM SCHOOLS AND HOSPITALS ARE LESS THAN THE AMOUNT RESERVED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT MAY MAKE THE UNENCUMBERED OR NONCOMMITTED PORTION OF THE RESERVE AVAILABLE TO OTHER SPONSORS IN THE PROGRAM.

(B) (C) THE DEPARTMENT MAY USE THE FUND TO PAY EXPENSES OF THE PROGRAM AND TO PROVIDE LOANS TO ELIGIBLE SPONSORS AND PROJECTS.

(e) (D) (1) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(2) THE FUND SHALL BE INVESTED AND REINVESTED AND ANY EARNINGS SHALL BE PAID INTO THE FUND FOR USE IN THE PROGRAM.

(3) ANY REPAYMENT OF PRINCIPAL AND INTEREST ON LOANS MADE FROM THE FUND SHALL BE PAID INTO THE FUND.

4-708.

THE DEPARTMENT IS HEREBY AUTHORIZED TO ENTER INTO CONTRACTS WITH THIRD PARTIES TO MAKE, SERVICE, OR SETTLE LOANS MADE UNDER THIS SUBTITLE.

4-709.

(A) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENT OR REPORT IN ANY DOCUMENT REQUIRED TO BE FURNISHED TO THE DEPARTMENT BY ANY AGREEMENT RELATING TO FINANCIAL ASSISTANCE.

(B) A PERSON APPLYING FOR FINANCIAL ASSISTANCE MAY NOT KNOWINGLY MAKE OR CAUSE ANY FALSE STATEMENT OR REPORT TO BE MADE FOR THE PURPOSE OF INFLUENCING ANY ACTION OF THE DEPARTMENT ON AN APPLICATION FOR FINANCIAL ASSISTANCE OR FOR THE PURPOSE OF INFLUENCING ANY ACTION OF THE DEPARTMENT AFFECTING FINANCIAL ASSISTANCE ALREADY PROVIDED.

(C) ANY PERSON WHO VIOLATES ANY PROVISION OF SUBSECTION (A) OR (B) OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$50,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before September 1, 1990, the Department of Housing and Community Development shall provide a written report to the Legislative Policy Committee and the Department of Fiscal Services on the