

(c) The Department shall allocate and at least annually reallocate the moneys appropriated for the making of loans under the regular program, among the counties, to ensure that all areas of the State are served, taking into account (1) the number of families of limited incomes in the county, (2) the need for rehabilitation of buildings in the county, (3) the extent of the capability of the county to administer a rehabilitation program, and (4) any other criteria the Department deems relevant to ensure fair and equitable distribution of funds among the counties. In making its allocations, the Department may initially allocate on a countywide basis, and then make suballocations among participating political subdivisions within the counties. In making its allocations, the Department may allocate up to 25 percent of the total moneys available in the fund to a reserve. The Department may, from time to time, reallocate the moneys held in reserve.

(d) Each political subdivision certified by the Department as capable of administering a rehabilitation program may originate and administer loans in accordance with regulations [promulgated] ADOPTED by the Department. The Department shall, by regulation, establish criteria for determining capability which shall include the size, training and experience of the professional staff responsible for the administration of a program and the capabilities of the staff for determining local rehabilitation needs, for establishing rehabilitation programs, for evaluating applications for rehabilitation loans, and for monitoring the loans and the rehabilitation work done under these loans. If the Department determines that a political subdivision is not capable or does not desire to administer a rehabilitation program, the Department may originate and administer loans from the allocation or suballocation to that political subdivision.

(e) The Department may assist in training employees of political subdivisions to help achieve and increase their capability to administer rehabilitation programs in accordance with the criteria determined by the Department. The Department may provide technical assistance and advice to the political subdivisions on the administration of their rehabilitation programs.

(f) The Department may make loans on such terms as the Department deems necessary to make the housing affordable to families of limited income, including:

(1) Deferred payment of principal and interest until the maturity date or the date of any sale or other transfer of the building or an interest in the building;

(2) As long as the interest rate does not violate any applicable federal regulations governing the borrowing of moneys by the State, an interest rate as low as 0.0 percent or as high as is reasonable given the incomes of the proposed occupants;

(3) Increased rate of interest or accelerated payment of principal and interest if the borrower no longer qualifies for the loan; and

(4) Advance payment to a nonprofit sponsor for certain development costs including architects', engineers' and attorneys' fees.

(g) Within the maximum income limits established for families of limited income, the Secretary may establish lower income ranges, interest rates to be available on loans serving occupants with incomes within such lower ranges, and any preference or reservation of loan funds for applications for loans to finance housing which would serve occupants in such lower income ranges.