

(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) (i) Except for loans under subparagraph (ii) of this paragraph, loans over \$5,000 shall be secured IN WHOLE OR IN PART by a recorded mortgage or deed of trust on real property.

(ii) Loans to political subdivisions may be secured by a recorded mortgage or deed of trust on real property, or by another security device acceptable to the Department.

(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) (i) To the extent the Department has provided a loan for the financing of a residential rehabilitation project, the sponsor or nonprofit sponsor must provide at least a minimum number of dwelling units restricted for occupancy by families of lower income for at least a minimum number of years.

(ii) The minimum number of dwelling units shall be the greater of:

1. The number of units which is equal to the proportion of the amount of the program loan for the project to the total financing of the undertaking; or

2. For projects which receive an allocation of federal low income housing tax credits, the number of units selected by the sponsor to satisfy the federal occupancy requirements; or

3. For projects which finance a portion of the projects costs with government issued federally tax exempt revenue bonds, the greater of:

A. The number of units required for community development projects under § 2-203(f)(1)(ii) of this title; or

B. The number of units selected by the issuer of the bonds.

(iii) The minimum number of years shall be the greater of the number of years imposed by the federal requirements or 15 years.

(iv) Units restricted for occupancy to meet other federal or State occupancy requirements may be counted toward the minimum number required hereunder.