

(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.

(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 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.

(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 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.

(j) The Department shall establish a maximum percentage or amount of loans made from the Rental Housing Programs Fund which may be used for nonresidential rehabilitation.

(k) The Program shall be administered to the maximum extent possible in conjunction with federal programs assisting rehabilitation of housing, so as to insure maximum utilization of available federal funds.

(l) The Program shall be administered, to the maximum extent possible, consistently with locally approved plans or programs of concentrated neighborhood revitalization.

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(a) Loans under the Rental Housing Production Program may be secured by a mortgage lien, which may be subordinate to other mortgage liens, and may include such terms as the Department deems necessary to make the rental housing affordable to families of lower income, including deferred payment of principal and interest and interest rates as low as zero percent.

(b) A loan may be used:

(1) For capital assistance to finance all or a portion of the development costs of a rental housing production project, in which case the loan shall be secured IN WHOLE OR IN PART by a mortgage lien; or