

**DRAFTER'S NOTE:**

Error: Obsolete cross-reference in Article 83A, §§ 5-214(a) and 5-1210(a).

Occurred: As a result of Ch. 5, Acts of 1997.

**Article 83B - Department of Housing and Community Development**

2-206.

(l) Bonds or notes issued by the Administration may be secured by a trust agreement between the Administration and a trustee, which may be any trust company, or bank having trust powers, within or without the State. Any trust agreement, or any determination authorizing the issuance of bonds or notes, may contain:

(4) Provisions as to custody, safeguarding, application, and investment of funds of the Administration. The manner of and restrictions on investment of funds shall be as the Administration provides, notwithstanding Article 95, § 22 of the Code and §§ 6-202, 6-205, 6-206, [6-208,] 6-209, and 6-210 of the State Finance and Procurement Article, which do not apply to banks or trust companies in the discharge of duties under this section;

**DRAFTER'S NOTE:**

Error: Obsolete cross-reference in Article 83B, § 2-206(l)(4).

Occurred: As a result of Ch. 88, Acts of 1994.

2-208.

(f) A loan that the Administration makes to a mortgage lender shall be a general obligation of the mortgage lender as to repayment of both principal and interest and repayment of both principal and interest shall be secured additionally by a pledge of and lien on collateral security, in an amount that the Administration by regulation determines to be necessary to secure loans. The collateral security shall consist of: (1) obligations of, or guaranteed by the United States, the State of Maryland, or a political subdivision of the State; (2) obligations, satisfactory to the Administration, issued by federal agencies or instrumentalities; (3) certificates of deposit or time deposits or similar banking arrangements secured by obligations of, or guaranteed by, the United States or the State of Maryland; or (4) mortgages insured or guaranteed in whole or in part by the Maryland Housing Fund, a federal agency, or a private insurer approved by the Administration, or other mortgages that the Administration finds to be of reasonable comparable security. The Administration shall require either that the collateral be held at a bank or trust company as independent custodian or that the mortgage lender enter into a security agreement that contains provisions that the Administration considers necessary to adequately identify, maintain, and service the collateral. The security agreement shall provide that the mortgage lender holds the collateral as an agent for the Administration and is accountable as the trustee of an express trust for its application and disposition, and shall apply the income from the collateral solely to uses and purposes in