

(2) In the case of preferred interest rate loans under § 2-602(1) of this subtitle, full acceleration of principal after 5 years if the borrower no longer qualifies as a household of limited income and is able to qualify for conventional mortgage financing;

(3) In the case of reverse equity loans made under § 2-602(5) of this subtitle:

(i) Full or partial deferrals on payment of interest and principal until sale, conveyance pursuant to a will or trust instrument, or other transfer of the mortgaged property or a beneficial interest therein; and

(ii) Forgiveness of accrued interest in excess of the available equity in the mortgaged property at the time of any such conveyance; and

(4) In the case of emergency assistance loans made under § 2-602(4) of this subtitle, full or partial deferrals on payment of interest and principal until a stated date at which it is reasonably anticipated that the borrower should be able to make full or partial payments.

(f) (1) For preferred interest loans made under § 2-602(1) of this subtitle, the amount of the loan and any prior recorded liens outstanding may not exceed the value of the secured property plus settlement expenses as may be determined by the Program at the time the loan is closed.

(2) For reverse equity loans made under § 2-602(5) of this subtitle, the principal amount of the loan and any prior liens outstanding may not exceed the appreciated value of the secured property as determined by the Program from time to time.

(3) For short-term loans made under § 2-602(2) of this subtitle, the amount of the loan may not exceed the amount of the total commitments for permanent financing for buyers, including any commitments of federal, State, or local funds to be used to subsidize the cost of the residential units.

#### DRAFTER'S NOTE:

Error: Erroneous cross-references in Article 83B, § 2-611(b)(3) and (f)(2).

Occurred: As a result of Ch. 412, Acts of 1994. Correction by the publisher of the Annotated Code in the 1998 Replacement Volume is validated by this Act.

2-1102.

(d) "Household of lower income" means:

(1) A household whose gross annual income, upon initial occupancy, does not exceed 50 percent of the statewide median income for a household of like size or such lesser income level as may be established for any particular project by the Secretary of Housing and Community Development; and