

~~(5) A lending institution that accepts a historic rehabilitation mortgage credit certificate from a business entity or individual shall in exchange provide the business entity or individual an amount equal to the face amount of the historic rehabilitation mortgage credit certificate, discounted by the amount by which the lending institution's federal income tax liability is increased as a result of its use of the historic rehabilitation mortgage credit certificate to offset State taxes under this subsection, to be allocated, at the borrower's election:~~

~~(i) To reduce the principal amount or to reduce the interest rate on the loan to result in interest payment reductions substantially equal on a present value basis to the face amount of the historic rehabilitation mortgage credit certificate, as discounted; or~~

~~(ii) To reduce the business entity's or individual's cost of purchasing the certified heritage structure by an amount equal to the face amount of the certificate, as discounted.~~

~~(6) (i) A lending institution may claim a tax credit under this section in an amount equal to the face amount specified in a historic rehabilitation mortgage credit certificate.~~

~~(ii) If the credit allowed under this subsection in any taxable year exceeds the total tax otherwise payable by the lending institution for that taxable year, the lending institution may apply the excess as a credit for succeeding years until the earlier of:~~

- ~~1. The full amount of the excess is used; or~~
- ~~2. The expiration of the 10th taxable year after the taxable year in which the historic rehabilitation mortgage credit certificate is issued.~~

~~(7) If the amount of the discount retained by a lending institution exceeds the amount by which the lending institution's federal income tax is increased as a result of its use of the historic rehabilitation mortgage credit certificate to offset State taxes under this subsection, the lending institution shall refund the excess to the business entity or individual and any interest earned by the institution on the excess.~~

~~(8) A lending institution that accepts a historic rehabilitation mortgage credit certificate from a business entity or individual under this subsection shall be entitled to rely in good faith on the information contained in and used in connection with obtaining the certificate by the business entity or individual including, without limitation, the amount of the qualified rehabilitation expenditures.~~

~~(9) Notwithstanding any provision in this subsection, a lending institution is not required to accept a historic rehabilitation mortgage credit certificate from any business entity or individual.~~

~~(g) (E) (1) The Director and the Maryland Heritage Areas Authority may adopt regulations to establish procedures and standards for certifying heritage structures and rehabilitations under this section and for issuance and use of historic rehabilitation mortgage credit certificates under subsection (f) of this section.~~