

(2) (i) The Secretary shall adopt guidelines and procedures for implementing the Program so as to expedite the granting provision of assistance to families whose primary residences were damaged by Hurricane Isabel.

(ii) The Department is not required to adopt regulations for the implementation of the Program, but shall make all reasonable efforts to publicize the eligibility requirements for the Program and the availability of benefits under the Program.

(3) The Program shall include coverage for the repair or replacement of water and sewer systems, including septic systems.

(c) The Department shall ~~grant~~ provide loans or serve as guarantor of credit enhancement for private market loans under the Program utilizing funds from:

(1) the Maryland Housing Rehabilitation Program;

(2) the Maryland Housing Fund for credit enhancement, subject to funds being held in reserve for that purpose; and

(3) any other State or federal housing or community development program or fund.

(d) (1) This subsection applies to low interest loans ~~granted for second provided for first or subordinate~~ mortgages to rehabilitate or renovate primary residences.

~~(2) The Program is designed to provide "gap" funding for property damage incurred beyond the limits set by insurance and State, federal, or private market loans and grants for projects to rehabilitate or renovate primary residences damaged by Hurricane Isabel.~~

~~(3)~~ (2) The terms and provisions of a loan ~~granted provided~~ in accordance with this subsection shall ~~satisfy the terms and provisions under the program or fund from which the funds are utilized for the loan, except that~~ conform to the following conditions:

(i) the interest rate shall be set by the Department between 0.0% and 2.5%;

(ii) the payment of the principal on the loan shall be deferred until the sale or transfer of the primary residence or the refinancing of the first prior lien mortgage or deed of trust on the primary residence;

(iii) notwithstanding the income eligibility requirements of the fund or program from which funds are utilized for providing a loan, the maximum income eligibility requirements for a loan shall be 125% of the maximum income limits under the Maryland Housing Rehabilitation Program for the Washington D.C. Metropolitan Statistical Area;

~~(iii)~~ (iv) ~~after satisfying the income eligibility requirements,~~ priority shall be given to families who have been relocated into temporary housing by