

WHEREAS, As we enter the coldest part of the winter season, over 300 families remain in temporary housing or are on a waiting list for housing assistance from the Federal Emergency Management Agency (FEMA); and

WHEREAS, The State is compelled to design a program to assist those who need "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, renovate, or replace primary residences damaged by Hurricane Isabel; and

WHEREAS, As expeditiously as possible, the State needs to develop innovative and effective means to address the unmet housing needs of these Maryland families who have suffered such devastating losses; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Hurricane Isabel Housing Rehabilitation and Renovation Program within the Department of Housing and Community Development.

(b) (1) The Department shall operate the Program as provided in this Act to benefit the families whose primary residences were damaged by Hurricane Isabel. The Program shall include projects in which the Department provides:

(i) ~~grants~~ low interest loans for ~~second~~ first or subordinate mortgages to rehabilitate or renovate primary residences; ~~or~~

(ii) ~~serves as guarantor of~~ credit enhancement for loans obtained in the private market to rehabilitate ~~or~~, renovate, or replace primary residences, subject to funds being held in reserve for that purpose; or

(iii) financial assistance under a buy-down program that reduces the amount a borrower pays on a loan obtained from the private market or from the Department for a defined period of time.

(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