

demolition or lot consolidation, dwelling units that households of limited income can afford to buy under a purchase or lease-purchase contract;

(4) emergency assistance loans to households of limited income who, because of unemployment or other extraordinary hardship, cannot make current mortgage payments on their homes and risk forfeiting the title to their homes; [and]

(5) reverse equity loans to elderly households of limited income for housing related expenses or personal expenses that enable the owner to continue to occupy the home; AND

(6) PREFERRED INTEREST RATE LOANS TO HOUSEHOLDS THAT MEET INCOME STANDARDS SET BY THE DEPARTMENT FOR THE REDEMPTION OF GROUND LEASES ON THEIR PRINCIPAL RESIDENCE, INCLUDING THE TRANSACTIONAL COSTS ASSOCIATED WITH THE REDEMPTION.

4-806.

(c) (1) For each type of loan described in § 4-804 of this subtitle, the Department periodically shall set:

(i) appropriate terms, **INCLUDING DEFERRED PAYMENTS ON PRINCIPAL AND INTEREST**; and

(ii) a preferred interest rate that may be as low as 0.0% or as high as is reasonable in light of the incomes of the proposed occupants.

(2) In setting these terms and interest rates, the Department shall take into account rates available in the conventional private housing market and the adjusted annual income and assets of prospective borrowers.

4-807.

(d) Except for loans made under § 4-804(4) **AND (6)** of this subtitle, the upper limits on adjusted annual income established under subsection (a) of this section may not exceed the median annual family income.

4-810.

(D) TO QUALIFY FOR A LOAN UNDER § 4-804(6) OF THIS SUBTITLE, AN APPLICANT SHALL:

(1) OWN AND OCCUPY THE HOME AS ~~THEIR~~ THE APPLICANT'S PRINCIPAL RESIDENCE; AND