

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.

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(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

(2) MEET THE INCOME REQUIREMENTS SET BY THE DEPARTMENT.

4-815.

(f) (4) FOR A PREFERRED INTEREST RATE LOAN UNDER § 4-804(6) OF THIS SUBTITLE, THE DEPARTMENT MAY SET THE MAXIMUM AMOUNT OF THE LOAN, INCLUDING THE MAXIMUM AMOUNT THAT MAY BE USED FOR THE TRANSACTIONAL COSTS ASSOCIATED WITH THE REDEMPTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2007.

Approved by the Governor, May 8, 2007.