

(ii) Avoids creating or aggravating low income concentrations that adversely affect communities;

(3) Adopt policies to insure that all loans made under the Program are made only to:

(i) Households who:

1. Have adjusted annual incomes at the time the loan is made within the applicable upper limits determined by the Secretary in accordance with paragraph (5) of this section; and

2. Cannot qualify for conventional or other available departmental financing to enable the owner to continue to occupy the home, or for the purchase, purchase and rehabilitation, or refinancing of a home; [or]

(ii) Developers who the Department reasonably anticipates can build or rehabilitate housing affordable to households of limited income; OR

(III) OWNER-OCCUPANTS OF RESIDENTIAL BUILDINGS WITH NO MORE THAN 4 UNITS WHO AGREE TO RENT TO HOUSEHOLDS OF LIMITED INCOME;

(4) Periodically set interest rates and terms appropriate for each type of loan described in § 2-602 of this subtitle, taking into account rates available in the conventional private housing market and the adjusted annual income and assets of borrowers to be served by each type of loan to be made by the Program;

(5) Periodically set upper limits on adjusted annual income:

(i) Taking into consideration factors including:

1. The amount of the total income of each individual expected to reside in a home;

2. The size of the household;

3. The cost of available housing facilities;

4. The ability of such individuals to compete successfully in the conventional private housing market; and

5. Pertinent standards and definitions established for federal housing programs;

(ii) Which limits may differ for different types of housing, types of financing offered by the Program, and regions of the State; and

(iii) Within such upper limits, lower income limit ranges and lower interest rates may be established for loans to households with adjusted annual incomes in lower ranges;