

(4) CHARGE AND COLLECT REASONABLE APPLICATION AND PROCESSING FEES, AND OTHER CHARGES, FEES, OR REIMBURSEMENTS INCIDENTAL TO LOANS;

(5) ADOPT, AND AMEND FROM TIME TO TIME, IN ACCORDANCE WITH STATUTORY REQUIREMENTS, REGULATIONS GOVERNING ALL ASPECTS OF THE OPERATION OF THE PROGRAM.

(F) EVERY PERSON WHO KNOWINGLY MAKES OR CAUSES TO BE MADE ANY FALSE STATEMENT OR REPORT FOR THE PURPOSE OF INFLUENCING THE ACTION OF THE DEPARTMENT UPON ANY APPLICATION FOR A GRANT OR LOAN OR ANY ACTION OF THE DEPARTMENT AFFECTING A GRANT OR LOAN ALREADY MADE, IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION SHALL BE FINED NOT MORE THAN \$5,000 OR IMPRISONED FOR NOT MORE THAN TWO YEARS, OR BOTH. EVERY BORROWER WHO KNOWINGLY MAKES OR CAUSES TO BE MADE SUCH A FALSE STATEMENT OR REPORT SHALL, AT THE OPTION OF THE DEPARTMENT, AND WITHOUT REGARD TO THE COMMENCEMENT OR STATUS OF CRIMINAL PROSECUTION, BE SUBJECT TO IMMEDIATE ACCELERATION OF THE LOAN FOR WHICH HE IS LIABLE. THE CRIMINAL PENALTIES AND ACCELERATION PROVIDED BY THIS SECTION SHALL APPLY TO ANY MATERIAL MISSTATEMENT OF FACT, WHETHER IN THE NATURE OF AN UNDERSTATEMENT OR OVERSTATEMENT OF FINANCIAL CONDITION, OR ANY OTHER FACT MATERIAL TO THE DEPARTMENT'S ACTIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That Sections 257K(a) and (d) of Article 41 - Governor - Executive and Administrative Departments, of the Annotated Code of Maryland (1971 Replacement Volume and 1974 Supplement) be and they are hereby repealed and re-enacted, with amendments, to read as follows:

Article 41 - Governor - Executive and Administrative
Departments

257K.

(a) The General Assembly declares that it is a subject of concern that many residents of this State are living in substandard housing and that there exists a shortage of housing at reasonable costs for various income levels. The General Assembly recognizes that adequate multiple unit and single family housing can, and should, be provided by private capital under our free enterprise system and in accordance with sound investment practices. The General Assembly finds that the flow of private investment capital into such housing can be stimulated by a system wherein qualified lending institutions may be insured against losses incurred as a result of nonpayment of principal, interest, or other sums agreed to be paid under the terms of any note or