

Article 41 - Governor-Executive and  
Administrative Departments

HOME FINANCING PROGRAM

266FF-1. CREATED IN DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT.

THE HOME FINANCING PROGRAM IS CREATED WITHIN THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT FOR THE PURPOSE OF MAKING LOANS AT A PREFERRED RATE OF INTEREST TO ALLOW DISADVANTAGED AND LOW-INCOME CITIZENS OF MARYLAND TO BUY HOMES. THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT SHALL MANAGE AND SUPERVISE THE PROGRAM.

266FF-2. LOANS; ELIGIBILITY; SPOUSES; DEPARTMENTAL POWERS.

(A) THE DEPARTMENT MAY MAKE DIRECT LOANS TO QUALIFYING HOME BUYERS AT AN INTEREST RATE WHICH WILL MAKE THE PROGRAM SELF-SUPPORTING. IN ESTABLISHING THE INTEREST RATE FROM TIME TO TIME, THE DEPARTMENT SHALL TAKE INTO ACCOUNT ALL OF THE EXPENSES OF THE PROGRAM INCLUDING INTEREST PAID BY THE STATE ON BONDS USED TO FUND THE PROGRAM, ADMINISTRATIVE EXPENSES OF THE PROGRAM, AND POSSIBLE LOSSES. THE DEPARTMENT MAY COLLECT A UNIFORM APPLICATION FEE, AND RETAIN FROM IT ANY AMOUNTS NOT EXPENDED FOR CREDIT REPORTS, APPRAISALS, AND OTHER EXPENSES OF PROCESSING LOAN APPLICATIONS. EXCEPT FOR AMOUNTS SO COLLECTED AND RETAINED, THE DEPARTMENT MAY NOT CHARGE "POINTS" OR ANY OTHER CHARGES OR FEES CONSTITUTING INTEREST TO EITHER THE BUYER OR SELLER IN A LOAN TRANSACTION MADE UNDER THIS SUBTITLE. LOANS MADE UNDER THIS SUBTITLE SHALL BE SECURED BY A FIRST MORTGAGE ON THE PROPERTY PURCHASED AND ANY IMPROVEMENTS AND FIXTURES ON IT.

(B) TO BE ELIGIBLE FOR A LOAN, AN APPLICANT SHALL MEET ALL OF THE FOLLOWING CONDITIONS OF ELIGIBILITY:

(1) HE SHALL HAVE BEEN DOMICILED IN MARYLAND FOR A PERIOD OF AT LEAST ONE YEAR PRIOR TO FILING HIS APPLICATION;

(2) HE MUST INTEND TO LIVE IN THE HOME TO BE FINANCED AND NOT OWN ANY OTHER PROPERTY USED OR USABLE AS A RESIDENCE AS OF THE TIME OF CLOSING.

(3) HE MUST BE UNABLE FINANCIALLY TO OBTAIN A PRIVATE MORTGAGE OR OTHERWISE FINANCE THE PURCHASE. TO ENFORCE THIS REQUIREMENT, AND THE POLICY UNDERLYING IT, THE DEPARTMENT: