

MONTGOMERY COUNTY

LOANS MADE TO PROPERTY OWNERS WITHIN FEDERALLY-ASSISTED URBAN RENEWAL PROJECTS MADE IN ACCORDANCE WITH SECTION 1(B) (3) SHALL CARRY AN INTEREST RATE OF FROM ONE PERCENT PER ANNUM TO THE MARKET RATE. REPAYMENT PROVISIONS SHALL BE BASED ON THE FINANCIAL CIRCUMSTANCES OF THE INDIVIDUAL PROPERTY OWNER. FROM THE EFFECTIVE DATE OF THIS SECTION IN DETERMINING THE INITIAL RATE OF INTEREST, THE PROPERTY OWNER SHALL NOT BE EXPECTED TO ALLOCATE, BASED ON A LOAN TERM OF THIRTY YEARS, MORE THAN TWENTY-FIVE PERCENT OF HIS FAMILY GROSS INCOME TO THE MONTHLY COSTS OF SHELTER (PRINCIPAL, INTEREST, TAXES, INSURANCE, MAINTENANCE AND UTILITIES).

2c. Terms of the loan shall be based upon the owner's financial circumstances at the time of the loan commitment. IF THE INITIAL RATE OF INTEREST IS THREE PERCENT OR LESS FOR ANY LOAN TO A PROPERTY OWNER OUTSIDE A FEDERALLY ASSISTED URBAN RENEWAL PROJECT, THE INTEREST RATE MUST BE INCREASED TO A HIGHER RATE UPON A DETERMINATION THAT TWENTY-FIVE PERCENT OF THE PROPERTY OWNER'S FAMILY GROSS INCOME IS SUFFICIENT TO PAY THE MONTHLY COSTS OF SHELTER (PRINCIPAL, INTEREST, TAXES, INSURANCE, MAINTENANCE, AND UTILITIES) AT SUCH HIGHER RATE. IF THE INITIAL RATE OF INTEREST IS LESS THAN THE MARKET RATE FOR ANY LOAN TO A PROPERTY OWNER WITHIN A FEDERALLY-ASSISTED URBAN RENEWAL PROJECT UNDER THE PROVISIONS OF SECTION 1(B)3, THE INTEREST RATE MUST BE INCREASED TO A HIGHER RATE UPON A DETERMINATION THAT TWENTY-FIVE PERCENT OF THE PROPERTY OWNER'S FAMILY GROSS INCOME IS SUFFICIENT TO PAY THE MONTHLY COSTS OF SHELTER (PRINCIPAL, INTEREST, TAXES, INSURANCE, MAINTENANCE AND UTILITIES) AT SUCH HIGHER RATE. THE INITIAL INTEREST RATE MAY BE DECREASED UPON A DETERMINATION THAT THE PROPERTY OWNER WILL PAY MORE THAN TWENTY-FIVE PERCENT OF FAMILY GROSS INCOME FOR THE MONTHLY COSTS OF SHELTER (PRINCIPAL, INTEREST, TAXES, INSURANCE, MAINTENANCE AND UTILITIES) AND UNDUE FINANCIAL HARDSHIP WOULD OCCUR IF THE INTEREST RATE REMAINED AS ORIGINALLY ESTABLISHED.

2E. UPON SALE OF THE PROPERTY, THE INTEREST RATE FOR THE NEW OWNER SHALL BE ESTABLISHED BY THE PROVISIONS OF THIS SECTION EXCEPT THAT IF THE PROPERTY IS PURCHASED BY THE MONTGOMERY COUNTY HOUSING AUTHORITY THE INTEREST RATE SHALL BE THREE PERCENT. IF THE PURCHASER DOES NOT QUALIFY FOR A REHABILITATION LOAN UNDER THIS SECTION, THE INTEREST RATE SHALL BE THE MARKET RATE.

Approved July 23, 1974
