

(7) CONTRACT FOR SERVICES RELATING TO ANY ASPECT OF THE OPERATION OF THE PROGRAM IN ACCORDANCE WITH PROCEDURES REQUIRED BY LAW FOR STATE CONTRACTS; AND

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

257L-4.

~~(A) -- A LOAN MADE UNDER THIS SUBHEADING SHALL BE SECURED BY A SECOND MORTGAGE ON THE PROPERTY IMPROVED.~~

(A) A LOAN MADE UNDER THIS SUBHEADING MAY SHALL BE SECURED BY A FIRST OR SECOND MORTGAGE OR DEED OF TRUST ON THE PROPERTY IMPROVED. IF THE LOAN IS SECURED BY A FIRST MORTGAGE, THE FIRST MORTGAGE SHALL PROVIDE FOR FUTURE SUBORDINATION IF A NEW BONA FIDE FIRST MORTGAGE IS OBTAINED ON THE PROPERTY IMPROVED.

(B) TO BE ELIGIBLE FOR A LOAN, AN APPLICANT SHALL:

- (1) BE A RESIDENT OF THIS STATE; AND
- (2) BE UNABLE TO FINANCE THE PURCHASE.

(C) TO ENFORCE THE REQUIREMENT IN SUBSECTION (B)(2) OF THIS SECTION, THE SECRETARY SHALL:

(1) ESTABLISH AN UPPER INCOME LIMIT, A DEFINITION OF "INCOME", AND A DIFFERENTIAL BASED ON INCOME STATISTICS FOR GEOGRAPHICAL AREAS OF THE STATE;

(2) CONSIDER AND WEIGH SECONDARY SOURCES OF INCOME, DEPENDENT ALLOWANCES, AND OTHER RESOURCES AVAILABLE TO THE APPLICANT WHICH MAY BE USED TO ASSIST IN FINANCING THE PURCHASE;

(3) REQUIRE A CERTIFIED COPY FROM THE COMPTROLLER'S OFFICE OF THE MOST RECENT STATE INCOME TAX RETURN FILED BY THE APPLICANT, OR OTHER VERIFICATION OF INCOME AS IS AVAILABLE.

(D) THE CONDITIONS OF ELIGIBILITY APPLY JOINTLY AND SEVERALLY IN THE CASE OF SPOUSES WHO ARE LIVING TOGETHER, EXCEPT THAT THE DOMICILE REQUIREMENT MAY BE SATISFIED BY EITHER SPOUSE.

257L-5.

APPROVAL OR EXECUTION BY THE BOARD OF PUBLIC WORKS IS NOT NEEDED UNDER THIS SUBHEADING TO:

- (1) ASSIGN A MORTGAGE FOR VALUE;