

HOUSE BILL 279

C8
HB 106/17 – ENV

8lr0070

By: **Chair, Environment and Transportation Committee (By Request –
Departmental – Housing and Community Development)**

Introduced and read first time: January 19, 2018

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Housing and Community Development – Homebuyer Education Requirements**

3 FOR the purpose of altering certain homebuyer education requirements for a loan recipient
4 in the Down Payment and Settlement Expense Loan Program in the Department of
5 Housing and Community Development; establishing certain requirements for the
6 Department’s homebuyer education requirements; providing that certain provisions
7 do not alter or preempt the authority of a political subdivision to establish
8 homebuyer education or counseling requirements for a down payment assistance
9 program operated by the political subdivision; altering certain purposes of the
10 Housing Counseling and Foreclosure Mediation Fund in the Department to include
11 support of certain homebuyer education for low– and moderate–income households;
12 and generally relating to homebuyer education and the Department of Housing and
13 Community Development.

14 BY repealing and reenacting, without amendments,
15 Article – Housing and Community Development
16 Section 4–302
17 Annotated Code of Maryland
18 (2006 Volume and 2017 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Housing and Community Development
21 Section 4–308 and 4–507
22 Annotated Code of Maryland
23 (2006 Volume and 2017 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That the Laws of Maryland read as follows:

26 **Article – Housing and Community Development**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 4-302.

2 There is a Down Payment and Settlement Expense Loan Program.

3 4-308.

4 (a) [Except as provided in subsection (b) of this section, a] **SUBJECT TO**
5 **SUBSECTION (B) OF THIS SECTION**, A recipient of a Program loan shall complete
6 homebuyer education that meets the requirements of the Department.

7 [(b) If the political subdivision in which a Program loan recipient will use a
8 Program loan administers a down payment or settlement expense loan program that
9 requires homebuyer education, the homebuyer education to be completed by the Program
10 loan recipient must meet the more stringent of the requirements of the Department and
11 the requirements of the political subdivision.]

12 **(B) THE DEPARTMENT'S HOMEBUYER EDUCATION REQUIREMENTS SHALL:**

13 **(1) ALLOW A PROGRAM LOAN RECIPIENT TO USE THE ONLINE**
14 **HOMEBUYER EDUCATION FOR A HUD-APPROVED PRODUCT AND CONTACT A**
15 **HUD-APPROVED COUNSELING AGENCY TO RECEIVE A CERTIFICATE; AND**

16 **(2) ENABLE ONE POLITICAL SUBDIVISION'S CERTIFICATE TO BE USED**
17 **IN ANOTHER POLITICAL SUBDIVISION.**

18 **(C) THIS SUBTITLE DOES NOT ALTER OR PREEMPT THE AUTHORITY OF A**
19 **POLITICAL SUBDIVISION TO ESTABLISH HOMEBUYER EDUCATION OR COUNSELING**
20 **REQUIREMENTS FOR A DOWN PAYMENT ASSISTANCE PROGRAM OPERATED BY THE**
21 **POLITICAL SUBDIVISION.**

22 4-507.

23 (a) In this section, "Fund" means the Housing Counseling and Foreclosure
24 Mediation Fund.

25 (b) There is a Housing Counseling and Foreclosure Mediation Fund.

26 (c) The purposes of the Fund are to:

27 (1) support nonprofit and government housing counselors and other
28 nonprofit entities with providing:

29 (i) legal assistance to homeowners or occupants who are trying to
30 avoid foreclosure or manage foreclosure proceedings; and

1 (ii) homebuyer education, housing advice, or financial counseling for
2 homeowners [and], prospective homeowners, **AND LOW- AND MODERATE-INCOME**
3 **HOUSEHOLDS;**

4 (2) support the establishment and operation of nonprofit housing
5 counseling entities;

6 (3) support efforts by the Department and the Department of Labor,
7 Licensing, and Regulation to:

8 (i) contact and provide advice and assistance to homeowners or
9 occupants facing financial difficulty or foreclosure; and

10 (ii) provide advice and assistance to prospective homeowners; and

11 (4) assist in funding the costs of foreclosure mediations provided by the
12 Office of Administrative Hearings under § 7-105.1 of the Real Property Article.

13 (d) The Department shall administer the Fund.

14 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of
15 the State Finance and Procurement Article.

16 (2) The State Treasurer shall hold the Fund separately, and the
17 Comptroller shall account for the Fund.

18 (f) The Fund consists of:

19 (1) revenue distributed to the Fund under § 7-105.1 of the Real Property
20 Article;

21 (2) investment earnings of the Fund;

22 (3) money appropriated in the State budget to the Fund; and

23 (4) any other money from any other source accepted for the benefit of the
24 Fund.

25 (g) The Fund may be used only for the purposes described in subsection (c) of this
26 section.

27 (h) (1) The State Treasurer shall invest the money of the Fund in the same
28 manner as other State money may be invested.

29 (2) Any investment earnings of the Fund shall be paid into the Fund.

1 (i) Expenditures from the Fund may be made only in accordance with the State
2 budget.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2018.