

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Housing and Community Development
(DLS Control No. 14-175)**

Overview and Legal and Fiscal Impact

These regulations describe policies and procedures for making operating assistance grants under the National Foreclosure Mitigation Counseling Program (NFMC), operating the Maryland Housing Counseling Fund (MHCF), and other housing counseling programs.

These regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Department of Housing and Community Development:

Homebuyer Education and Counseling: Foreclosure Prevention and Housing Counseling
Grant Programs: COMAR 05.19.03.01-.12

Legal Analysis

Summary of Regulations

Regulation .01 provides that the purpose of COMAR 05.19.03 is to describe the policies and procedures for making operating assistance grants under the NFMC, the MHCF, and certain other housing counseling programs. Regulation .02 describes the objectives of COMAR 05.19.03.

Regulation .03 provides a list of defined terms to be used throughout COMAR 05.19.03.

Regulation .04 provides a list of requirements that an “eligible entity” must meet in order to qualify for an operating assistance grant.

Regulation .05 describes the types of activities NFMC and MHCF grants may be used for as well as activities the grants may not be used for.

Regulation .06 requires that the amount of funds available in the fiscal year for grants made under this chapter must be determined by a certain date. Regulation .06 also requires the Department of Housing and Community Development (department) to evaluate applications based on a list of factors.

Regulation .07 requires the department to establish certain terms and conditions for grants made under this chapter in accordance with the terms of the funding source.

Regulations .08 describes the procedures for applying for a grant under this chapter as well as the process that the department must make grant awards.

Regulation .09 requires award grantees to maintain certain financial and progress records for a certain period of time.

Regulation .10 prohibits award grantees from discriminating against specific persons and requires award grantees to comply with certain federal, State, and local laws.

Regulation .11 describes the authority of the department in administrating programs under this chapter.

Regulation .12 prohibits a person from making false statements in connection with any document required to be given to the department or relating to the programs under this chapter.

Legal Issue

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The department cites §§ 2-102 and 4-507 of the Housing and Community Development Article, § 7-105.1 of the Real Property Article, and § 12-1303 of the Commercial Law Article as legal authority for the regulations. Specifically, § 2-102(6) requires the department to contract for and accept a gift, grant, contribution, or loan of money, property, or other aid for community assistance from a governmental unit, the federal government, or another source and comply with the terms and conditions of the aid; § 2-102(7) requires the department to attach terms and conditions to financial assistance programs; and § 2-102(9) requires the department to administer federal programs for community assistance.

The cited authority is correct and complete. The regulations comply with the legislative intent of the law.

Technical Corrections and Special Notes

The department has been made aware of the need to make a technical correction that deletes the word “Programs” in each instance in which a reference to “Programs grant” is made. The department will correct the error before the regulations are published in the *Maryland*

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The department advises that, to the extent that the regulations prevent foreclosures from occurring, local governments potentially benefit by mitigating the loss of revenue associated with foreclosures. There is minimal or no impact on the department or other State government agencies. The Department of Legislative Services agrees with the State impact but disagrees with the local government impact. The regulations are administrative in nature; they merely establish policies and procedures for existing department programs, do not directly alter the level or type of funding for the programs, and do not *directly* increase or decrease local government revenues.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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