

**Department of Legislative Services
Maryland General Assembly
2001 Session**

FISCAL NOTE

Senate Bill 630 (Senator Currie)
Economic and Environmental Affairs and
Budget and Taxation

Homeownership Opportunities for Individuals with Disabilities Program

This bill, to be administered by the Department of Housing and Community Development (DHCD), establishes the Homeownership Opportunities for Individuals with Disabilities Program to: (1) provide flexible interest rate loans for first-time home buyers with a disability; (2) require minimum down payment and closing costs; and (3) use underwriting criteria that considers stable, nontraditional sources of income. The bill creates an eight-member advisory committee to guide DHCD regarding the program's implementation and specifies qualifications for program applicants. By December 31 of each year, the advisory committee must submit an annual progress report to the General Assembly.

The bill directs the Governor to appropriate at least \$3 million for the program in fiscal 2002 and each year thereafter.

The bill is effective July 1, 2001.

Fiscal Summary

State Effect: General fund expenditures would increase by \$3 million annually, beginning in FY 2002.

(\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	3.0	3.0	3.0	3.0	3.0
Net Effect	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: None applicable.

Background: DHCD administered a pilot program in 1997 that has helped over 120 low-income individuals with mental, physical, and developmental disabilities buy a home.

The program allowed a minimum down payment of \$500 and flexible underwriting. The Office of the Attorney General advises that DHCD currently has the authority to operate the program proposed under the bill. However, the program as envisioned by the bill differs from the demonstration project and other similar housing assistance programs in several ways, including the requirement that the borrower be a first-time homebuyer, the inclusion of an advisory committee, the powers provided to the department, and the closing cost and down payment requirements. The Attorney General also notes that the bill only requires the primary borrower to be disabled and that the consequences are unclear for a non-disabled co-owner if the primary borrower no longer owns the property.

Additional Information

Prior Introductions: None.

Cross File: HB 1106 (Delegate Shriver, *et al.*) – Appropriations.

Information Source(s): Office of the Attorney General, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader – March 2, 2001
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