

BY: Education, Health, and Environmental Affairs Committee

AMENDMENTS TO SENATE BILL NO. 415

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, strike “grants” and substitute “provides”; in the same line, strike “or serves as guarantor of loans”; in line 7, after “residences” insert “, credit enhancements for private market loans to rehabilitate, renovate, or replace primary residences, and financial assistance under a certain buy-down program”; in line 8, after the semicolon insert “requiring the Department to make all reasonable efforts to publicize the Program under certain circumstances;”; in line 9, strike “grant” and substitute “provide”; in line 10, strike “serve as guarantor” and substitute “credit enhancement”; in the same line, after “of” insert “private market”; in line 11, strike “requirements for” and substitute “conditions on”; in the same line, strike “conditions” and substitute “provisions”; in the same line, after “of” insert “certain”; in the same line, strike “granted” and substitute “provided”; in line 12, after “Program;” insert “authorizing the Department to require local governments and applicants for certain loans to demonstrate contribution or receipt of certain resources under certain circumstances; authorizing the Department to establish priorities for making loans under certain circumstances;”; in line 13, strike “serve as guarantor of” and substitute “provide credit enhancement for private market”; in line 15, after “institutions;” insert “prohibiting the Department from charging a premium or administrative fee for providing credit enhancement for private market loans under certain circumstances; authorizing the Department to establish a certain buy-down program under certain circumstances; authorizing the Department to set the terms and conditions for financial assistance under the buy-down program; prohibiting certain provisions concerning eligibility requirements for or restrictions on the receipt of certain financial assistance from applying under certain circumstances;”; in line 16, strike “and expand”; in line 17, after “circumstances;” insert “requiring the Department to issue certain reports to the General Assembly on or before certain dates;”; and in line 18, after “of” insert “certain provisions of”.

AMENDMENT NO. 2

On page 2, after line 8, insert:

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“WHEREAS, The State is compelled to design a program to assist those who need “gap” funding for property damage incurred beyond the limits set by insurance and State, federal, or private market loans and grants for projects to rehabilitate, renovate, or replace primary residences damaged by Hurricane Isabel; and”;

in line 18, after “Department” insert “provides”; in line 19, strike “grants”; in the same line, strike “second” and substitute “first or subordinate”; in line 20, strike “or”; in line 21, strike “serves as guarantor of” and substitute “credit enhancement for”; in line 22, strike “or” and substitute a comma; in the same line, after “renovate” insert “, or replace”; in the same line, after “residences” insert “, subject to funds being held in reserve for that purpose; or

(iii) financial assistance under a buy-down program that reduces the amount a borrower pays on a loan obtained from the private market or from the Department for a defined period of time”;

in line 24, strike “granting” and substitute “provision”; before line 26, insert:

“(3) The Program shall include coverage for the repair or replacement of water and sewer systems, including septic systems.”;

in line 26, strike “grant” and substitute “provide”; in the same line, strike “serve as guarantor of” and substitute “credit enhancement for private market”; in line 29, after “Fund” insert “for credit enhancement, subject to funds being held in reserve for that purpose”; and in line 30, after “housing” insert “or community development”.

### AMENDMENT NO. 3

On page 2, in line 23, after “(2)” insert “(i)”; after line 25, insert:

“(ii) The Department is not required to adopt regulations for the implementation of the Program, but shall make all reasonable efforts to publicize the eligibility requirements for the Program and the availability of benefits under the Program.”;

in line 31, strike “granted for second” and substitute “provided for first or subordinate”; and strike in their entirety lines 33 through 36, inclusive.

On page 3, in line 1, strike “(3)” and substitute “(2)”; in the same line, strike “granted” and substitute “provided”; strike beginning with “satisfy” in line 2 down through “that” in line 3 and substitute “conform to the following conditions”; in line 7, after “sale” insert “or transfer”; in the same line, strike “first” and substitute “prior”; after line 8, insert:

“(iii) notwithstanding the income eligibility requirements of the fund or program from which funds are utilized for providing a loan, the maximum income eligibility requirements for a loan shall be 125% of the maximum income limits under the Maryland Housing Rehabilitation Program for the Washington D.C. Metropolitan Statistical Area;”;

in line 9, strike “(iii)” and substitute “(iv)”; in the same line, strike “after satisfying the income eligibility requirements,”; in line 13, strike “(iv)” and substitute “(v)”; and after line 14, insert:

“(3) The Department may require local governments to demonstrate a contribution of resources satisfactory to the Department before the Department provides loans under this subsection.

(4) The Department may require an applicant for a loan under this subsection to demonstrate that the applicant has applied and received all possible assistance from FEMA, the Small Business Administration (SBA), or other governmental or commercial sources, including hazard insurance.

(5) The Department may require an affidavit from an applicant for a loan under this subsection confirming other governmental or commercial sources of assistance, which may be shared with FEMA, SBA, or other governmental agencies that provide assistance.

(6) The Department may establish priorities for making loans available under this subsection.”.

#### AMENDMENT NO. 4

On page 3, in line 15, strike “or” and substitute a comma; in the same line, after “renovation” insert “, or onsite replacement”; in lines 16 and 27, in each instance, strike “serves as guarantor” and substitute “provides credit enhancement”; in line 18, strike “and” and substitute a comma; in the

(Over)

same line, after “renovation” insert “, or onsite replacement”; in line 34, strike “serve as guarantor” and substitute “provide credit enhancement”; in line 35, strike “serve as guarantor” and substitute “provide credit enhancement”; and in line 36, strike “90%” and substitute “80%”.

On page 4, in line 1, strike “expected”; in the same line, strike “home” and substitute “property”; in the same line, strike “and” and substitute a comma; in the same line, after “renovation” insert “, or onsite replacement”; in line 2, strike “at the time the loan is closed” and substitute “used to process and approve the loan”; in line 3, strike “ensure” and substitute “determine”; in line 4, strike “serves as guarantor” and substitute “provides credit enhancement”; after line 13, insert:

“(7) The Department may not charge a premium or administrative fee for credit enhancement provided under this subsection.”;

in line 14, strike “and expand”.

#### AMENDMENT NO. 5

On page 4, before line 14, insert:

“(f) (1) The Department is authorized to establish a buy-down program to assist families who may not be eligible for assistance from the Department under subsection (d) of this section.

(2) Financial assistance provided under the buy-down program shall reduce the amount a borrower pays on a loan obtained in the private market or from the Department for a defined period of time by making funds available that effectively reduce the interest rate or otherwise reduce the amount the borrower is required to pay.

(3) The buy-down program may be funded from:

(i) the Special Loan Programs Fund;

(ii) the Homeownership Programs Fund; or

(iii) any other source of funds available to the Department.

(4) The Department may set the terms and conditions for financial assistance under the buy-down program.

(5) The provisions of Article 83B of the Annotated Code of Maryland concerning eligibility requirements for or conditions or restrictions on the receipt of financial assistance from the Department, including maximum income limits, do not apply to financial assistance provided to borrowers under the buy-down program.

(6) The amount of financial assistance a borrower may receive under the buy-down program may be adjusted, at the discretion of the Department, based on the income of the borrower.”.

AMENDMENT NO. 6

On page 4, strike in their entirety lines 10 through 13, inclusive; in line 14, strike “(f)” and substitute “(g)”;

“SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Housing and Community Development shall issue to the General Assembly, in accordance with § 2-1246 of the State Government Article, a preliminary report on or before September 30, 2004 and a final report on or before September 30, 2005 on the implementation of this Act. The reports shall include:

(a) with reference to loans provided by the Department, the amounts of the loans and the borrowers’ counties of residence;

(b) with reference to loans obtained in the private market for which the Department provided credit enhancements, the amounts of the credit enhancements, the borrowers’ counties of residence, the names of the financial institutions that provided the loans, and the amounts of the loans; and

(c) with reference to other financial assistance provided, including financial assistance provided under the buy-down program, the amounts and sources of the financial assistance and the borrowers’ counties of residence.”;

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in line 18, strike “2.” and substitute “3.”; in line 22, strike “It” and substitute “Section 1 of this Act”; and in line 23, after “Assembly,” insert “Section 1 of”.