

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 717
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Special Needs Trust” and substitute “Trusts for Individuals with a Disability”; in line 4, strike “expanding” and substitute “altering”; in line 5, strike “a special needs trust for determining income eligibility for” and substitute “certain types of trusts for a”; in line 6, strike “programs” and substitute “program”; in line 7, after “Development;” insert “authorizing the Department to limit the cumulative outstanding debt for a certain program loan that is made to a certain type of trust under certain circumstances; providing that certain housing assistance program loans may be secured by certain security devices;”; in line 8, after “allowing” insert “certain individuals who are beneficiaries of”; strike beginning with the second “a” in line 8 down through “trust” in line 9 and substitute “certain types of trusts”; in line 11, strike “special needs” and substitute “certain types of”; in the same line, after “trusts” insert “and eligibility for a certain housing program and tax credit”; in line 14, strike “4-201(a) and”; in line 19, strike “4-201(h) and”; and in the same line, after “4-901(b)” insert “, 4-908, and 4-917”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 9 through 20, inclusive; in line 26, strike “SPECIAL NEEDS”; in line 27, after “1396P(D)(4),” insert “OR A TRUST ESTABLISHED FOR THE BENEFIT OF AN INDIVIDUAL WITH A DISABILITY BY AN INDIVIDUAL OTHER THAN THE BENEFICIARY AND THAT IS FUNDED WITH ASSETS THAT WERE NEVER OWNED OR CONTROLLED BY THE BENEFICIARY,”; and after line 32, insert:

“4-908.

The Department may:

(1) limit the return on equity allowed to, or enter into equity participation agreements with, sponsors and nonprofit sponsors;

(Over)

(2) require and obtain appraisals, credit and title information, and other information related to making Program loans;

(3) contract for services relating to any aspect of the operation of the Program under the procedures required by law for State contracts; [and]

(4) charge and collect:

(i) reasonable application and processing fees; and

(ii) other charges, fees, or reimbursements incidental to Program loans;

AND

(5) IF NECESSARY, LIMIT THE CUMULATIVE OUTSTANDING DEBT FOR PROGRAM LOANS MADE TO A TRUST DESCRIBED IN 42 U.S.C. § 1396P(D)(4) TO PRESERVE THE ONGOING FINANCIAL VIABILITY OF THE PROGRAM.

4-917.

(a) A Program loan:

(1) may not be made if the Department determines that comparable private financing is available to the prospective borrower; and

(2) may not exceed an amount the Secretary establishes by regulation.

(b) (1) Except as provided under [paragraph] PARAGRAPHS (2) AND (3) of this subsection, a Program loan of more than \$5,000 shall be secured wholly or partly by a recorded mortgage or deed of trust on real property.

(2) A Program loan to a political subdivision may be secured by a recorded mortgage, deed of trust on real property, or other security device acceptable to the Department.

(3) A PROGRAM LOAN TO A TRUST DESCRIBED IN 42 U.S.C. § 1396P(D)(4) MAY BE SECURED BY A RECORDED MORTGAGE, DEED OF TRUST ON REAL PROPERTY, OR OTHER SECURITY DEVICE ACCEPTABLE TO THE DEPARTMENT.

- (c) Program loans shall be made to:
- (1) families of limited income owning and occupying the building to be rehabilitated; or
 - (2) sponsors or nonprofit sponsors.
- (d) The Department may require that Program loans be insured.
- (e) A Program loan may cover:
- (1) costs of a rehabilitation project, including implementation costs such as appraisal, architectural, and engineering fees; and
 - (2) closing costs of the Program loan.
- (f) The Department may modify the interest rate, the time or amount of payment, or any other term of a Program loan that is in default to facilitate repayment of the Program loan and achieve the purposes of the Program.”.

AMENDMENT NO. 3

On page 5, in line 21, after “INCLUDES” insert “A BENEFICIARY OF”; in the same line, strike “SPECIAL NEEDS”; and in line 22, after “1396P(D)(4)” insert “, OR A TRUST ESTABLISHED FOR THE BENEFIT OF AN INDIVIDUAL WITH A DISABILITY BY AN INDIVIDUAL OTHER THAN THE BENEFICIARY AND THAT IS FUNDED WITH ASSETS THAT WERE NEVER OWNED OR CONTROLLED BY THE BENEFICIARY,”.