

# HOUSE BILL 106

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

Introduced and read first time: January 16, 2017

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Housing and Community Development – Homebuyer Education**  
3 **Requirements**

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

15 BY repealing and reenacting, without amendments,  
16 Article – Housing and Community Development  
17 Section 4-302  
18 Annotated Code of Maryland  
19 (2006 Volume and 2016 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article – Housing and Community Development  
22 Section 4-308 and 4-507

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland  
2 (2006 Volume and 2016 Supplement)

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

5 **Article – Housing and Community Development**

6 4–302.

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

8 4–308.

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

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

17 **(B) THE DEPARTMENT’S HOMEBUYER EDUCATION REQUIREMENTS SHALL:**

18 **(1) ALLOW A PROGRAM LOAN RECIPIENT TO USE THE ONLINE**  
19 **HOMEBUYER EDUCATION FOR A HUD–APPROVED PRODUCT AND CONTACT A**  
20 **HUD–APPROVED COUNSELING AGENCY TO RECEIVE A CERTIFICATE;**

21 **(2) ENABLE ONE POLITICAL SUBDIVISION’S CERTIFICATE TO BE USED**  
22 **IN ANOTHER POLITICAL SUBDIVISION; AND**

23 **(3) REQUIRE A PROGRAM LOAN RECIPIENT TO RECEIVE HOMEBUYER**  
24 **EDUCATION BEFORE SIGNING A CONTRACT OF SALE.**

25 **(C) THIS SUBTITLE DOES NOT ALTER OR PREEMPT THE AUTHORITY OF A**  
26 **POLITICAL SUBDIVISION TO ESTABLISH HOMEBUYER EDUCATION OR COUNSELING**  
27 **REQUIREMENTS FOR A DOWN PAYMENT ASSISTANCE PROGRAM OPERATED BY THE**  
28 **POLITICAL SUBDIVISION.**

29 4–507.

30 (a) In this section, “Fund” means the Housing Counseling and Foreclosure  
31 Mediation Fund.

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

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

3 (1) support nonprofit and government housing counselors and other  
4 nonprofit entities with providing:

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

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

10 (2) support the establishment and operation of nonprofit housing  
11 counseling entities;

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

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

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

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

19 (d) The Department shall administer the Fund.

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

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

24 (f) The Fund consists of:

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

27 (2) investment earnings of the Fund;

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

29 (4) any other money from any other source accepted for the benefit of the  
30 Fund.

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

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

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.