

HOUSE BILL 106

C8

71r0003

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

A BILL ENTITLED

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; altering certain purposes of the Housing
7 Counseling and Foreclosure Mediation Fund in the Department to include support
8 of certain homebuyer education for low- and moderate-income households; and
9 generally relating to homebuyer education and the Department of Housing and
10 Community Development.

11 BY repealing and reenacting, without amendments,
12 Article – Housing and Community Development
13 Section 4-302
14 Annotated Code of Maryland
15 (2006 Volume and 2016 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Housing and Community Development
18 Section 4-308 and 4-507
19 Annotated Code of Maryland
20 (2006 Volume and 2016 Supplement)

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

23 **Article – Housing and Community Development**

24 4-302.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 4–308.

3 [(a) Except as provided in subsection (b) of this section, a] A recipient of a Program
4 loan shall complete homebuyer education that meets the requirements of the Department.

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

10 4–507.

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

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

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

15 (1) support nonprofit and government housing counselors and other
16 nonprofit entities with providing:

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

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

22 (2) support the establishment and operation of nonprofit housing
23 counseling entities;

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

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

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

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

31 (d) The Department shall administer the Fund.

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

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

5 (f) The Fund consists of:

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

8 (2) investment earnings of the Fund;

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

10 (4) any other money from any other source accepted for the benefit of the
11 Fund.

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

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

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

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

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