

HOUSE BILL 106

C8

7lr0003

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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2017

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

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.



Annotated Code of Maryland
(2006 Volume and 2016 Supplement)

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

Article – Housing and Community Development

4–302.

There is a Down Payment and Settlement Expense Loan Program.

4–308.

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

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

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

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

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

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

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

4–507.

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

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

(c) The purposes of the Fund are to:

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

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

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

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

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

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

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

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

(d) The Department shall administer the Fund.

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

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

(f) The Fund consists of:

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

(2) investment earnings of the Fund;

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

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

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:

Governor.

Speaker of the House of Delegates.

President of the Senate.