

Chapter 156

(Senate Bill 704)

AN ACT concerning

**Appraisal Gap From Historic Redlining Financial Assistance Program –
Alterations**

FOR the purpose of expanding eligibility for financial assistance under the Appraisal Gap From Historic Redlining Financial Assistance Program to include individuals who purchase certain qualified property as an owner-occupant; and generally relating to the Appraisal Gap From Historic Redlining Financial Assistance Program.

BY repealing and reenacting, without amendments,
Article – Housing and Community Development
Section 4–2801(a), (e), (g), and (h)
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 4–2802 and 4–2804
Annotated Code of Maryland
(2019 Replacement Volume and 2023 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

4–2801.

(a) In this subtitle the following words have the meanings indicated.

(e) “Financial assistance” includes:

(1) a grant;

(2) a loan;

(3) a reduction in the principal obligation of or rate of interest payable on a loan or portion of a loan;

(4) a prepayment of interest on a subordinate or superior loan or portion of a loan;

- (5) an assurance;
- (6) a guarantee; and
- (7) any other form of credit enhancement.

(g) “Qualified project” means the construction or substantial rehabilitation of a qualified property if the eligible construction expenses do not exceed \$500,000.

(h) “Qualified property” means residential real property that is:

(1) newly constructed or a formerly vacant structure that has been substantially rehabilitated;

(2) located in:

(i) a low-income census tract as defined by the U.S. Department of Housing and Urban Development; and

(ii) an area designated as a sustainable community; and

(3) constructed or rehabilitated with the purpose of being sold to an owner-occupant at an affordable sales price.

4-2802.

(a) There is an Appraisal Gap From Historic Redlining Financial Assistance Program in the Department.

(b) The purpose of the Program is to [make] **HELP CLOSE APPRAISAL GAPS THAT OCCUR IN HISTORICALLY REDLINED NEIGHBORHOODS BY MAKING** financial assistance available to:

(1) affordable housing developers working in low-income census tracts and sustainable communities [in order to help close appraisal gaps that occur in historically redlined neighborhoods]; AND

(2) INDIVIDUALS WHO PURCHASE A QUALIFIED PROPERTY:

(I) AFTER A QUALIFIED PROJECT IS COMPLETED;

(II) AT AN AFFORDABLE SALES PRICE AS DETERMINED BY REGULATIONS ADOPTED BY THE DEPARTMENT; AND

(III) AS AN OWNER-OCCUPANT.

4–2804.

(a) Subject to § 4–2805 of this subtitle and the regulations of the [department] **DEPARTMENT**, the Department shall accept an application for financial assistance from:

(1) an individual or business entity that proposes to develop a qualified project; **AND**

(2) **AN INDIVIDUAL THAT PROPOSES TO PURCHASE A QUALIFIED PROPERTY.**

(b) The application shall be in the form and shall contain any information that the Department requires by regulation.

(c) The Department shall approve all applications that qualify for financial assistance under this subtitle in a timely manner.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved by the Governor, April 25, 2024.