

# SENATE BILL 822

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CF HB 1099

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By: **Senator McCray**

Introduced and read first time: February 3, 2020

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Housing and Community Development – Down Payment and Settlement**  
3 **Expense Loan Program – Homebuyer Education 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; requiring the Secretary of Housing and  
7 Community Development to report to the General Assembly on or before a certain  
8 date each year; and generally relating to the Down Payment and Settlement Expense  
9 Loan Program.

10 BY repealing and reenacting, without amendments,  
11 Article – Housing and Community Development  
12 Section 4–302  
13 Annotated Code of Maryland  
14 (2019 Replacement Volume and 2019 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – Housing and Community Development  
17 Section 4–308  
18 Annotated Code of Maryland  
19 (2019 Replacement Volume and 2019 Supplement)

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

22 **Article – Housing and Community Development**

23 4–302.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



4–308.

(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) 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; [and]

(2) enable one political subdivision's certificate to be used in another political subdivision;

**(3) REQUIRE THAT A PROGRAM LOAN RECIPIENT TAKE A HOMEBUYER EDUCATION COURSE WITH A HUD–APPROVED COUNSELING AGENCY OR COMPLETE ONLINE HOMEBUYER EDUCATION WITH A HUD–APPROVED PRODUCT BEFORE SIGNING A CONTRACT OF SALE FOR A PROPERTY; AND**

**(4) REQUIRE THAT A PROGRAM LOAN RECIPIENT RECEIVE ONE–ON–ONE COUNSELING FOR AT LEAST 1 HOUR, IN PERSON OR BY PHONE, FROM A HUD–APPROVED COUNSELING AGENCY.**

(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.

**(D) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE SECRETARY SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, ON THE FOLLOWING INFORMATION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR:**

**(1) THE NUMBER OF PROGRAM LOAN RECIPIENTS;**

**(2) THE INCOME RANGES OF PROGRAM LOAN RECIPIENTS;**

**(3) THE POLITICAL SUBDIVISIONS WHERE PROGRAM LOAN RECIPIENTS RESIDE;**

**(4) THE HUD–APPROVED COUNSELING AGENCIES THAT PROGRAM LOAN RECIPIENTS USED; AND**

**(5) AT THE DISCRETION OF THE SECRETARY, ANY OTHER INFORMATION CONCERNING THE EFFECTIVENESS AND EFFICACY OF PROGRAM LOANS AND THE DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN PROGRAM.**

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2020.