
A G E N D A I T E M S U M M A R Y**Reference No:** CB-61-1990**Draft No:** 1**P r i n c e G e o r g e ' s****Meeting Date:****C o u n t y C o u n c i l****Requestor:** CA C M

Item Title: An Act for the purpose of establishing the
Home Ownership Mortgage Equity (HOME)
Program and the Home Entry Leasing Program
(HELP) to provide assistance to eligibles

Sponsors CA C M

Date Presented	6/5/90	Executive Action	___/___/___	—
Committee Referral	(2) 7/24/90	C.O.W.	Effective Date	___/___/___
Committee Action	(1) 6/26/90	HELD		
Date Introduced	6/26/90			
Pub. Hearing Date	(1) 7/24/90	1:30 PM		

Council Action (1) 7/24/90 Recommended

Council Votes B_: A_, CA: A_, C_: A_, CI: __, MC: A_, M_: __,
P_: A_, W_: AB, WI: N_, __: __, __: __, __: __

Pass/Fail P

Remarks (See also CB-12 & 13-1990)

	Ralph E. Grutzmacher	Resource	
Drafter:	Legislative Officer	Personnel:	Mary Lane

LEGISLATIVE HISTORY**BACKGROUND INFORMATION/FISCAL IMPACT**

(Includes reason for proposal, as well as any unique statutory requirements)

This bill proposes two programs to assist renters and buyers with economically burdensome one-time costs which act as barriers to obtaining housing.

The first program, the Home Ownership Mortgage Equity (HOME) program, provides assistance in the form of a low-interest deferred payment loan on a sliding scale to persons with incomes between 70% and 110% of the median household income (\$37,850 to \$59,500 respectively for a family of four). A family with a median income of \$37,850 would be eligible for a loan equal to 100% of the closing costs associated with purchasing a home. Closing costs for a moderately-priced home are expected to be approximately nine percent of the purchase price. A family with a median income of \$59,500 would be eligible for a loan

equal to 80% of the closing costs. Repayment of the loans could be deferred for up to ten years but would have to be repaid at the time the home is sold.

The second program, the Housing Entry Leasing Program (HELP), provides assistance in the form of a guaranty on a sliding scale to persons with incomes up to the median income. Persons with household incomes up to 50% of the median (\$27,050 for a family of four) will be eligible to have a guaranty of 75% of the required security deposit provided to the landlord. This benefit would be reduced to 50% of the deposit for persons with household incomes no greater than the median income. The usual security deposit is twice the monthly rent. The HELP guaranty will allow a family that can pay the monthly rent, but does not have sufficient cash to pay the required security deposit to obtain decent and appropriate rental housing. If an eligible person caused the County to lose the certificate amount, he or she would be ineligible for further assistance for a two year period.

Both of these programs are designed to be incorporated in the proposed MPDU program envisioned by CB-12-1990 and CB-13-1990.