

ten to twenty years. MIDFA may also insure first mortgage loans on machinery and equipment up to 70% of total cost, with maturities of up to 15 years or maximum useful life whichever is less.

Mortgage loans insured by MIDFA are limited in principal amount to \$5,000,000 per project. MIDFA has the authority to insure a total of \$60,000,000 in principal amount of loans or an amount equal to five times its reserve fund whichever is less.

MIDFA insured mortgage loans may be made for new, expanded, acquired or rehabilitated property in the following five business categories: manufacturing; warehousing of manufactured goods; research and development facilities; office buildings for company headquarters or regional office use; and certain tourist facilities. (Mercantile and service business categories are specifically prohibited by law.)

A business may obtain a MIDFA insured loan in one of two ways. First it may request local government participation in MIDFA financing, whereby the county or municipality purchases the property, obtains a tax-exempt mortgage loan from a lender and then leases the property to the business, using the lease as additional collateral for the mortgage loan. Secondly, a business may arrange a mortgage loan directly with a lender at prevailing commercial loan rates. In either case, the county or municipality has no direct responsibility for the repayment of the loan. With local government participation, tax exempt interest rates are passed on to the industrial prospect through reduced rentals under the lease since rental payments are geared to principal and interest obligations of the loan.

As of the close of fiscal 1973 there were 33 MIDFA approved loans totalling \$27,364,000 of which 23 loans were closed having an outstanding balance of \$19,000,000 (Code 1957, 1971 Repl. Vol., Art. 41, secs. 266J-266CC).

## MARYLAND COMMISSION FOR LATIN AMERICAN AFFAIRS

Chairman: Roland H. del Mar

Gilbert A. Crandall, Andrew M. Lewis, Jr., Vernon S. Vavrina,  
George A. Zeigler.

Executive Assistant: Mrs. Leo Weintraub

918 - 16th Street, N.W.,  
Washington, D.C. 20006

Telephone: 293-2494

The Governor appointed this Commission in 1968 at the request of the General Assembly to initiate and coordinate programs designed to foster, improve, increase, and encourage trade, tourism, and cultural exchanges between the free countries of Central and South America and the State of Maryland. The Commission consists of representatives of business, labor, education, tourism, and the public at large. The Commission is to explore and study, and report its findings on, the establishment of a trade center which shall, among other uses, be designed to foster educational exchanges between businessmen through seminars and tours; assist in obtaining federal and state financing or foreign trade, promote investments, sales, distributions and exchanges of products, displays, educational and cultural data, and other such services. The Commission is to report to the Governor and General Assembly from time to time (Res. No. 21, Acts of 1968).