

munications functions generate new prospects and clients, and enhance and support targeted industrial development.

The Office oversees management of all Maryland foreign offices; coordinates and logistically supports trade missions; and provides liaison with foreign embassies in Washington, DC. The Office also supervises the Division's International Assistance Center; develops the Division's strategic marketing plan; and creates and produces Division publications. For other State agencies and the Maryland business community, the Office gathers intelligence about international activities and provides management information.

MARYLAND SISTERS PROGRAM

Jean Van Buskirk, *Director*
(410) 333-3072

The Maryland Sisters Program was initiated in 1986. The Program establishes special formal agreements between Maryland and states or provinces in other countries to promote trade and the exchange of business, cultural, educational and scientific information. Maryland presently has forty affiliations with 24 nations, including seven sister states: Anhui Province, People's Republic of China; Jalisco, Mexico; Kanagawa Prefecture, Japan; Kyongsangnam-Do, Korea; Nord Pas de Calais, France; the Lodz Region in Poland; and Leningrad Oblast. Maryland also has a partnership agreement with the State of Rio de Janeiro in Brazil; an agreement of mutual cooperation with the Walloon Region in Belgium; and a collaborative agreement with the City of St. Petersburg, Russia.

FINANCING PROGRAMS

Arthur S. Drea, Jr., *Assistant Secretary for
Financing Programs*

217 East Redwood St.
Baltimore, MD 21202 (410) 333-6932

The Assistant Secretary for Financing Programs is responsible for the Maryland Industrial Development Financing Authority; Maryland Small Business Development Financing Authority; Day Care Financing Programs; and Community Financing Group.

MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY

Joseph Haskins, Jr., *Chairperson*, 1994
Thomas H. Mullaney, *Vice-Chairperson*, 1997
John G. Fitzpatrick, *Executive Director & Secretary*
(410) 333-4263

The Maryland Industrial Development Financing Authority (MIDFA) was created in 1965 (Chapter 714, Acts of 1965). The Authority pro-

vides financial assistance to enterprises seeking to locate or expand operations in Maryland.

MIDFA operates four loan financing programs. Under its tax-exempt Traditional Bond Programs, nonprofit organizations (501(c)(3)) can finance land acquisition and the purchase of all types of buildings and equipment. The Bond Insurance Fund is used as reserves for financial assistance provided under the Bond Programs.

Under its Conventional Loan Program, the Authority insures many types of conventional loans made by financial institutions. The Authorized Purpose Insurance Fund is used as reserves for loans and other obligations insured under the Conventional Loan Program.

MIDFA also may issue bonds under and in accordance with the Maryland Economic Development Revenue Bond Act.

Through the Traditional Program and its Bond Insurance Fund, the Authority may insure all or any part of the payments of principal and interest under tax-exempt economic development revenue bonds issued by Maryland counties, municipalities, industrial development authorities, and other Maryland public bodies to finance a specific facility for a manufacturing company. There is a \$5 million ceiling on the insurance for each transaction. Certain revenue bonds are exempt from federal and Maryland income tax (but not from real estate or personal property taxes). Therefore, interest rates on these bonds are generally lower than interest rates on conventional loans.

The Bond Programs benefit companies by providing loans for a higher percentage of the costs of the facility, at a lower interest rate, and for a longer term than conventional financing.

Under the Conventional Loan Program or the Export Financing Program, the Authority may insure a loan or other obligation; insure the payment of premiums or fees necessary to obtain insurance, guarantees, or other credit support from a third party; or pay such premiums or fees. Insurance provided by the Authority may not exceed the lesser of either 80 percent (or 90 percent in the case of export financing) of the sum of the principal amount of the loan or other obligations plus accrued interest thereon, or \$1 million per transaction.

To participate in MIDFA's programs, a company must generally qualify in each of three basic categories: legal eligibility, economic impact, and credit-worthiness (Code Financial Institutions Article, secs. 13-101 through 13-141; Federal Internal Revenue Code, sec. 146).

MIDFA's policy and decision-making body is a nine-member Authority. Seven members are appointed to five-year terms by the Secretary of Economic and Employment Development with the