State Use Industries:

Loans From Other Funds:

In July 1982, the General fund loaned State Use Industries $2,000,000. The loan bears no interest and is repayable as operational earnings permit with no time limit.

Maryland Deposit Insurance Fund Corporation:

Notes Payable:

The notes payable of $100,862,000 represent promissory notes payable to member savings and loan associations (see Note 14).

B. Higher Education Fund:

Long-Term Debt:

Certain State colleges have issued revenue bonds and mortgage loans payable and received proceeds from construction loans payable for the acquisition and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds and the mortgage loans payable and construction loans are collateralized by real estate. Interest rates range from 3% to 6% on the revenue bonds and 3% to 10% on the mortgage loans payable. Interest rates for construction loans are either 3%, or 70% of the bank's prime rate. Maturities of principal, excluding construction loans of $3,497,000 (amounts expressed in thousands) are as follows:

Years ending	Revenue Bonds			
June 30,	Demand	Other	Mortgages	Total
1986	$ 1,200	$ 433	$ 259	$ 1,892
1987	1,300	459	270	2,029
1988	1,400	491	282	2,173
1989	1,500	518	300	2,318
1990	1,600	531	284	2,415
1991 and thereafter	48,000	7,016	2,155	57,171
	$55,000	$9,448	$3,550	$67,998

As of June 30, 1985, the University of Maryland has outstanding $55,000,000 of variable rate demand bonds issued April 23, 1985, which are subject to mandatory redemption in annual installments each April 1, beginning in 1986 and ending in 2005. The bonds issued are the debt and obligation of the University and are not a debt and obligation of, or pledge of, the faith and credit of the State.

The interest rate on the bonds may vary on a weekly, monthly, quarterly, semiannual, or annual basis at the option of the University, however, the interest rate may not exceed 12% per annum. The interest payment periods may be monthly, quarterly, or semiannual, depending upon the interest rate period selected by the University. As of June 30, 1985, a weekly interest rate period was used and interest was paid monthly. The average annual rate of interest on the bonds during the period outstanding was 5.09%.

The bonds are subject to purchase on demand of the holders (optional tender) at a price equal to the principal and accrued interest. The remarketing agents are to use their best efforts to sell the bonds at a price equal to 100% of the principal amount by adjusting the interest rate. The University may convert all or part (in the minimum aggregate amount of $5,000,000) of the bonds (mandatory tender) to a fixed rate of interest.

Under an irrevocable letter of credit issued by a bank, the trustee or paying agent is entitled to draw amounts sufficient to pay the purchase price of bonds delivered to it as a result of an optional or mandatory tender. The letter of credit is valid through April 30, 1990, subject to extensions of one additional year at each April 30, beginning in 1987 at the option of the bank. The bonds are subject to mandatory tender on the date of termination of the letter of credit unless a successor letter of credit is delivered to the trustee. Drawings on the letter of credit bear interest at the higher of the bank's prime lending rate or the rate of interest then payable with respect to the bonds. As of June 30, 1985, there were no drawings on the letter of credit and no bonds have been purchased by the bank as a result of an optional or mandatory tender.