

The Department of Transportation, as lessor, leases space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rental revenues follow (amounts expressed in thousands):

Years ending June 30	Noncancellable Operating Leases Minimum Future Rentals
1995.....	\$ 51,548
1996.....	40,964
1997.....	32,162
1998.....	22,526
1999.....	19,846
2000 and thereafter.....	71,658
	<u>\$238,704</u>

Total minimum future rental revenues do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated minimums. Rental revenue was approximately \$73,617,000 for the year ended June 30, 1994, including contingent rentals of approximately \$18,900,000.

As of June 30, 1994, the Maryland State Lottery Agency had commitments of approximately \$57,146,000 for services to be rendered relating principally to the operation of the lottery game.

As of June 30, 1994, the Maryland Stadium Authority had commitments of approximately \$1,000,000 for property and construction.

As of June 30, 1994, the higher education fund, a component unit, had commitments of approximately \$152,660,000 for the completion of projects under construction.

16. Contingencies:

The State is party to legal proceedings, which normally occur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material, adverse impact on the financial position of the State as a whole.

As of June 30, 1994, mortgage loan insurance programs included in the enterprise funds were contingently liable as insurer of mortgage loans payable, or portions of mortgage loans payable, in an aggregate amount of approximately \$811,220,000 (including \$626,004,000 for the economic development loan programs). In addition, there are commitments to insure mortgage loans which would represent additional contingent liabilities of approximately \$77,627,000.

The State will lease office space from the Industrial Development Authority of Prince George's County (Authority), under a capital lease starting in fiscal year 1995. Construction of the building began during fiscal year 1994 and was financed with revenue bonds. The State's lease payments will equal the Authority's bond payments. Future minimum payments under this capital lease are as follows (amounts expressed in thousands):

Years Ending June 30	Amount
1995.....	\$ 371
1996.....	556
1997.....	1,044
1998.....	1,042
1999.....	1,038
2000 and thereafter.....	11,353
Total future minimum payments.....	15,404
Less amount representing interest.....	5,419
Present value of lease payments.....	<u>\$ 9,985</u>

The Maryland Higher Education Loan Corporation (Corporation), a component unit, as endorser of student loans, is contingently liable to lending institutions for purchase of student loans in default. In the event of such default, the Corporation is liable to the lending institution for the unpaid principal amount of the loan plus unpaid interest, including interest accrued from the date of default until the date of purchase by the Corporation. As of June 30, 1994, the Corporation has endorsed loans outstanding of approximately \$1,050,000,000. These loans are covered by a Federal reinsurance agreement with the U.S. Department of Education. The agreement provides for repurchase by the U.S. Department of Education of 100% of the amount of loans which default; however, if the default rate exceeds 5% of the loans in repayment status as of September 30 of the preceding year, the reinsurance rate is 90%, and for all defaults in excess of 9% the reinsurance rate is 80%.

In 1985, the Maryland General Assembly enacted legislation creating the State of Maryland Deposit Insurance Fund Corporation (MDIFC), an agency of the State Department of Licensing and Regulation and the successor by