

Certain notes receivable for advances of general obligation bond proceeds bear interest at rates ranging from 4.0% to 9.2% and mature over approximately 28 years.

Water quality project loans consist of loans to various local governments and other governmental entities in the State for wastewater projects under the United States Environmental Protection Agency's (EPA) Capitalization Grants for State Revolving Funds federal assistance program.

The permanent mortgage loans consist of financing for single and multi-family projects, rental projects, small businesses, industrial sites and various other purposes.

Student and health profession loans are made pursuant to student loan programs funded through the U.S. Government.

B. Investment in Direct Financing Leases:

As of June 30, 2000, the Maryland Environmental Service (Service) has direct financing leases with the State of Maryland. The present value of the direct financing leases as of June 30, 2000, is \$9,356,000. As of June 30, 2000, the Service held \$3,684,000 to be spent to complete assets under these direct financing leases. Lease payments receivable (including unearned interest) for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (expressed in thousands).

| | |
|--|-----------------|
| 2001 | \$ 1,941 |
| 2002 | 1,804 |
| 2003 | 1,649 |
| 2004 | 1,550 |
| 2005 | 1,394 |
| 2006 and thereafter | <u>9,537</u> |
| Total | 17,875 |
| Less: Unearned interest income | <u>4,835</u> |
| | 13,040 |
| Restricted investments related to unexpended bond proceeds | <u>3,684</u> |
| Net investments in direct financing leases | <u>\$ 9,356</u> |

As of June 30, 2000, the Maryland Stadium Authority (Authority) has direct financing leases with the State of Maryland. The present value of the direct financing leases as of June 30, 2000, is \$293,492,000. As of June 30, 2000, the Authority held \$28,000 to be spent to complete assets under these direct financing leases. Lease payments receivable (including unearned interest) for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the