

by an extension. The Secretary may require that any period of extension be deducted from the period of amortization.

(e) The conditions set forth in Section 432 (d) shall be included in the loan agreement and shall apply with respect to any sale or lease of the project or any part thereof.

(f) The loan agreement shall be recorded among the Land Records of the subdivision in which the land is located, and shall constitute a purchase money first lien upon the land and improvements.

(g) The Secretary may, upon application and after investigation, approve a loan not exceeding \$7,500 and on an equal matching basis with funds of the borrowing subdivision, for the purpose of financing planning and/or engineering study costs of or for a project situate or to be situate on land owned by or under option to the borrowing subdivision. Upon approval of any such loan, the Secretary and the subdivision shall enter into a loan agreement requiring repayment within five years at an interest rate calculated pursuant to Section 432 (c) (3) and in accordance with an amortization schedule approved by the Secretary.

434. Delegation to local economic development agency.

A subdivision may delegate the planning and carrying out of a project under Sections 432 and 433 to a municipality located within the subdivision or to a local economic development agency; provided however, that no such delegation shall relieve the subdivision of any obligation incurred under any loan agreement executed pursuant to this subtitle.

435. Waiver of first lien requirement; releases.

Notwithstanding any other provision of this subtitle, the Secretary may waive the requirement that a loan agreement executed pursuant to this subtitle constitute a first lien on the land and improvements if he finds that (i) subordination of the State's interest is necessary to development or completion of the project, and (ii) such subordination of the State's interest is necessary to development or completion of the project, and (ii) such subordination will not jeopardize the probability of repayment to the State or have an unduly adverse effect on the State's security for repayment. The Secretary may, upon the sale of any part of the land secured by a loan agreement and prepayment of principal as provided in this subtitle, execute a partial release of such land from the lien of the loan agreement.

436. Borrowing by subdivisions.

Each subdivision is hereby authorized to issue general obligation bonds or otherwise borrow money in an amount not exceeding one half of one percent of the total assessed value of property located within the subdivision subject to taxation at the full tax rate of the subdivision in order to obtain funds to finance its share of project costs for projects in which the State participates under this subtitle.

437. Maryland Industrial Land Loan of 1972.

(a) The Board of Public Works is hereby authorized and directed to issue a State loan to be known as the "Maryland Industrial Land Loan of 1972" in the aggregate sum of Six Million Dollars