

(1) Be one which is made by a mortgagor as defined herein and held by a mortgagee approved by the Authority;

(2) Involve a principal obligation, including initial service charges and appraisal, inspection and other fees approved by the Authority, not to exceed four million dollars (\$4,000,000) for any one project and not to exceed ninety (90) percent of the cost of the project (as defined in Section 266-O) as to real property, nor seventy (70) percent of the cost of the project (as defined in Section 266-O) as to machinery and equipment;

(3) Have a maturity satisfactory to the Authority but in no case later than twenty-five (25) years from the date of the insurance except in the case of machinery and equipment, for which the maturity is to be no more than fifteen (15) years from the date of the insurance but in no case beyond the normal useful life of the machinery and equipment.

(4) Contain complete amortization provisions satisfactory to the Authority requiring periodic payments by the mortgagor which may include principal and interest payments, cost of local property taxes and assessments or payments in lieu thereof, land-lease rentals if any, hazard insurance on the property, such mortgage insurance premiums as are required under Section 266U, and such depreciation payments as may be necessary to maintain the integrity of the project until principal has been completely amortized, all as the Authority from time to time prescribes or approves.

(5) Be in such form and contain such terms and provisions with respect to property insurance, repairs, alterations, payment of taxes and assessments or payments in lieu thereof, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, and other matters as the Authority may prescribe.

(6) Not have a maturity later than the initial term of the lease of the property on which the mortgage is granted; provided, however, that this shall in no way preclude the prepayment of any mortgage so insured.

SEC. 2. *And be it further enacted*, That this Act shall take effect July 1, 1972.

Approved May 26, 1972.

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CHAPTER 464

(Senate Bill 809)

AN ACT to add new Section 706 to Article 27 of the Annotated Code of Maryland (1971 Replacement Volume), title "Crimes and Punishments," subtitle "Places of Reformation and Punishment," to follow immediately after Section 705 thereof, and to be under the new subheading "Community Correction Centers," to provide  
, SUBJECT TO THE APPROVAL OF THE LOCAL GOVERN-