

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 266L [and 266T] , 266T and 266W(a) of Article 41 of the Annotated Code of Maryland (1971 Replacement Volume and 1972 Supplement), title "Governor - Executive and Administrative Departments," subtitle "25. Department of Economic and Community Development," subheading "Maryland Industrial Development Financing Authority Act," be and they are hereby repealed and re-enacted, with amendments, to read as follows:

266L.

The Maryland Industrial Development Financing Authority is authorized to insure the payment of mortgage loans secured by industrial projects to the extent [of thirty million dollars (\$30,000,000).] HEREINAFTER PROVIDED IN § 266T OF THIS ARTICLE.

266T.

The Authority, upon application of the proposed mortgagors, may insure mortgage payments required by a first mortgage on any industrial project, upon such terms and conditions as the Authority may prescribe, provided the aggregate amount of principal obligations of all mortgages so insured outstanding at any one time shall not exceed [thirty] SIXTY million dollars [(\$30,000,000)] (\$60,000,000), or an amount equal to five times the balance in the industrial project mortgage insurance fund, whichever is less. To be eligible for insurance under the provisions of this subtitle a mortgage shall:

(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] FIVE million dollars [(\$4,000,000)] (\$5,000,000) for any one project and not to exceed ninety (90) percent of the cost of the project (as defined in § 266-O) as to real property, nor seventy (70) percent of the cost of the project (as defined in § 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 § 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.