

§ 462. THE AUTHORITY MAY SPECIFY MINIMUM MATURITIES AND MAXIMUM INTEREST RATES ON THESE NEW MORTGAGE LOANS, AS WELL AS TIME PERIODS WITHIN WHICH THE MORTGAGE LENDERS MUST COMMIT AND CLOSE THESE LOANS.

(B) THE AUTHORITY SHALL REQUIRE SUCH REPRESENTATIONS, WARRANTIES, AND CONTRACTUAL UNDERTAKINGS BY THE MORTGAGE LENDERS AS IT DEEMS DESIRABLE IN ORDER TO ASSURE COMPLIANCE WITH THIS SECTION. THESE REPRESENTATIONS, WARRANTIES, AND UNDERTAKINGS ARE ENFORCEABLE BY THE AUTHORITY IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY; AND, AS A CONDITION TO THEIR PARTICIPATION IN THE PROGRAMS, THE MORTGAGE LENDERS SHALL CONSENT TO THE JURISDICTION AND VENUE OF THAT COURT.

[[464. LOAN TO LENDERS PROGRAM.

(A) THE AUTHORITY IS AUTHORIZED TO MAKE, PARTICIPATE IN MAKING, AND UNDERTAKE COMMITMENTS TO MAKE AND PARTICIPATE IN MAKING LOANS TO MORTGAGE LENDERS. HOWEVER, A LOAN MAY NOT BE MADE TO THE MORTGAGE LENDER UNLESS THE MORTGAGE LENDER HAS DEMONSTRATED SATISFACTORILY TO THE AUTHORITY THAT THE LOAN IS IN THE BEST INTERESTS OF THE PUBLIC.

(B) EACH LOAN TO A MORTGAGE LENDER SHALL BE A DEBT OF THE BORROWER, TO WHICH ITS GENERAL ASSETS ARE SUBJECT. IT SHALL HAVE A MATURITY NOT LONGER THAN THE MATURITY OF ANY BONDS ISSUED BY THE AUTHORITY TO THE PAYMENT OF WHICH IT IS PLEDGED PURSUANT TO ANY AGREEMENT WITH BONDHOLDERS, AND SHALL NOT BE SUBJECT TO PREPAYMENT ON TERMS LESS FAVORABLE TO THE AUTHORITY THAN THE TERMS UNDER WHICH THE AUTHORITY MAY PREPAY THE BONDS TO WHICH THE LOAN IS PLEDGED.

(C) EACH LOAN SHALL BEAR INTEREST AT A RATE TO BE DETERMINED BY THE AUTHORITY, BUT NOT LESS THAN THE RATE OF INTEREST ON THE BONDS ISSUED BY THE AUTHORITY TO WHICH IT IS PLEDGED PLUS ONE EIGHTH OF ONE PERCENT.

(D) EACH LOAN SHALL BE ADDITIONALLY SECURED, AS TO PAYMENT OF BOTH PRINCIPAL AND INTEREST, BY A PLEDGE OF AND FIRST LIEN UPON COLLATERAL OF TYPES AND IN AMOUNTS WHICH THE AUTHORITY DETERMINES TO BE NECESSARY TO ASSURE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE LOANS AS THEY BECOME DUE. THE COLLATERAL SHALL CONSIST OF ONE OR MORE OF THE FOLLOWING:

(1) DIRECT OBLIGATIONS OF, OR GUARANTEED BY, THE UNITED STATES OF AMERICA, THE STATE OF MARYLAND, OR A POLITICAL SUBDIVISION OF THE STATE; OR

(2) BONDS, ~~[[DEVENTURES]]~~ DEBENTURES, NOTES, OR OTHER EVIDENCES OF INDEBTEDNESS, SATISFACTORY TO THE