

(c) The Secretary, upon receipt of an application and after such investigation as he deems advisable, may approve a loan of up to fifty percent of the anticipated project cost, as determined by the Secretary, but not exceeding [\$1,000,000] \$1,500,000 for any one project. In judging whether or not to approve a loan and the amount of a loan, the Secretary shall consider and determine in addition to those factors set forth in § 440 (b) OF THIS SUBTITLE, (i) whether the subdivision has available and committed toward the project sufficient funds to finance its share of the anticipated project costs; provided, however, that the Secretary may consider in lieu of funds on hand official and noncontingent commitments of funds from federal agencies, financial institutions, or other reliable sources; and provided further that the Secretary may grant a conditional approval for a period not exceeding two years in any case where application for all or part of balance of the required funds has been made to a federal agency, financial institution, or other reliable source and additional time is required for affirmative action on the application, and (ii) the subdivision has presented evidence demonstrating its ability to carry out and complete the project as planned.

(d) (1) Upon approval of a loan, the Secretary shall enter into a loan agreement with the borrowing subdivision [providing for payment of interest only, at a rate determined by the Secretary in accordance with § 440 (c) (3), commencing upon the date of the loan and continuing for a period of two years thereafter, except as provided herein.

(2) Upon the sale of the land or any part thereof by the subdivision, so much of the sale price as equals the amount of the loan times the proportion of the land sold of the total land covered by the loan shall be applied in reduction of the principal balance of the land and accrued interest thereon. The principal balance remaining at the end of two years shall, subject to the required prepayments in the event of sale or sales, be amortized over a period not exceeding twenty-five years in accordance with an amortization schedule approved by the Secretary.

(3) The Secretary may extend the two-year nonamortization period for an additional period not exceeding two years upon a finding that the delay arose from unforeseen or extraordinary circumstances and that the purposes of this subtitle can best be served 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 § 440 (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].

(2) EACH LOAN AGREEMENT SHALL INCLUDE: