OR UNCOLLECTIBLE LOANS IS NOT IN THE INTEREST OF A FINANCIAL INSTITUTION, AND, THEREFORE, FINANCIAL INSTITUTIONS GENERALLY ARE RELUCTANT TO LEND MONEY TO SOCIALLY OR ECONOMICALLY DISADVANTAGED BUSINESSMEN WITH INSUFFICIENT RECORDS OF PERFORMANCE; AND

(4) CERTAIN PERSONS ARE UNABLE TO OBTAIN GOVERNMENT CONTRACTS FOR REASONS OTHER THAN THE COST TO THE GOVERNMENT OR THE ABILITY OF THE PERSON TO PERFORM THE CONTRACT WORK COMPETENTLY.

(B) STATEMENT OF PURPOSE.

THE PURPOSES OF THE AUTHORITY ARE:

(1) TO ASSIST SOCIALLY OR ECONOMICALLY DISADVANTAGED BUSINESSMEN TO OBTAIN WORKING CAPITAL THAT IS ADEQUATE TO BEGIN, CONTINUE, AND COMPLETE A PROJECT UNDER A FEDERAL, STATE, OR LOCAL GOVERNMENT CONTRACT;

(2) TO ENCOURAGE SOCIALLY OR ECONOMICALLY DISADVANTAGED BUSINESSMEN TO SEEK GOVERNMENT CONTRACTS; AND

(3) TO ENCOURAGE FINANCIAL INSTITUTIONS TO MAKE LOANS TO THESE BUSINESSMEN.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 41, § 266HH-1.

In subsection (a)(3) of this section, the phrase "insufficient records of performance" is substituted for "short track records or nonexistent histories" for clarity.

In subsection (b)(3) of this section, the term "financial" is substituted for "lending" as it refers to institutions to conform with the terminology used elsewhere in this subtitle.

The present reference to the establishment of the Authority is deleted as unnecessary in light of § 13-205 of this subtitle.

13-203. RESERVED.

13-204. RESERVED.

PART II. ESTABLISHMENT AND ORGANIZATION OF AUTHORITY.

13-205. AUTHORITY ESTABLISHED.

THERE IS A MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY IN THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT.

REVISOR'S NOTE: This section presently appears as Art.