The introductory clause of item (2) of this section "[i]f the applicant is a corporation" is new language substituted for the reference to "investment in an eligible corporation", which appears to be a limited reference to an "eligible applicant", as that term presently is defined, that also is a corporation. Although, as to other types of assistance, business enterprises — other than corporations — are eligible, the Department of Economic and Community Development indicates that this provision will extend only to corporations.

The introductory clause of item (3) of this section "[i]f the applicant is unable to obtain money from any other source" is new language substituted for the present provision "[T]he Authority may grant a direct loan only as a last resort,...", to clarify that a guarantee of a loan or of an equity investment is the preferred form of financial assistance.

13-228. LIMITATIONS ON POWER TO GUARANTEE LOANS.

THE AUTHORITY MAY GUARANTEE A LOAN MADE TO AN APPLICANT ONLY IF:

(1) THE APPLICANT MEETS THE QUALIFICATIONS REQUIRED BY THIS SUBTITLE;

(2) THE LOAN IS TO BE USED TO PERFORM A CONTRACT FOR A PROJECT THAT A FEDERAL, STATE, OR LOCAL GOVERNMENT FINANCES;

(3) THE PART OF THE LOAN TO BE GUARANTEED DOES NOT EXCEED $150,000;

(4) THE LOAN TO BE GUARANTEED IS TO BE USED PRIMARILY FOR WORKING CAPITAL; AND

(5) THE LOAN MATURES NOT LATER THAN THE TERM OF THE GOVERNMENT CONTRACT.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 41, § 266HH-5(2), except for the second sentence of that paragraph, and Art. 41, § 266HH-5(4) — as that paragraph relates to guarantees of loans — and the first clause of (5).

Item (1) of this section is new language substituted for the present references to "eligible applicant[s]". The present definition of "eligible applicant" contains numerous substantive requirements, which, in the revision of this subtitle, have been set forth as requirements in § 13-231 of this subtitle.