

13-233. TERMS OF FINANCIAL ASSISTANCE.

(A) TERMS OF GUARANTEES.

THE AUTHORITY MAY SET THE TERMS AND CONDITIONS FOR GUARANTEES OF LOANS.

(B) LOANS.

(1) IF THE AUTHORITY DECIDES TO LEND MONEY TO AN APPLICANT, THE AUTHORITY SHALL PREPARE A LOAN AGREEMENT.

(2) THE LOAN AGREEMENT SHALL INCLUDE:

(I) THE RATE OF INTEREST ON THE LOAN, WHICH SHALL EQUAL THE MARKET RATE FOR A CONVENTIONAL LOAN OF COMPARABLE RISK;

(II) A PAYMENT SCHEDULE THAT PROVIDES MONEY TO THE APPLICANT IN THE AMOUNTS AND AT THE TIMES THAT THE APPLICANT NEEDS THE MONEY TO PERFORM THE GOVERNMENT CONTRACT;

(III) A REQUIREMENT THAT, BEFORE EACH ADVANCE OF MONEY IS RELEASED TO THE APPLICANT, THE APPLICANT AND THE AUTHORITY COSIGN THE REQUEST FOR THE MONEY; AND

(IV) PROVISIONS FOR REPAYMENT OF THE LOAN.

(3) THE LOAN AGREEMENT MAY INCLUDE ANY OTHER PROVISION THAT THE AUTHORITY DETERMINES IS NECESSARY TO SECURE THE LOAN, INCLUDING, IF ALLOWABLE, AN ASSIGNMENT OF OR A LIEN ON PAYMENT UNDER THE GOVERNMENT CONTRACT.

REVISOR'S NOTE: This section is new language derived without substantive change from the third sentence of Art. 41, § 266HH-5(1) and the second sentence of (2) and from Art. 41, § 266HH-8(b).

Subsection (b)(2)(i) and (iii) of this section are revised to clarify the present references in Art. 41, § 266HH-8 to a "draw from the contract" and payments being "consigned". The revision indicates that the payments to the applicant are made at the time the applicant performs the government contract and cannot be released unless the applicant and Authority cosign for them.

13-234. VIOLATIONS OF LOAN AGREEMENT; NONCOMPLIANCE WITH SUBTITLE.

IF AN APPLICANT VIOLATES ANY PROVISION OF THE LOAN AGREEMENT OR CEASES TO MEET THE REQUIREMENTS OF THIS SUBTITLE, ON REASONABLE NOTICE TO THE APPLICANT, THE AUTHORITY MAY:

(1) WITHHOLD FROM THE APPLICANT FURTHER LOAN