

266R.

(a) If a mortgagor defaults in payment of any installment of a mortgage insured in whole or in part by the Authority, the Authority, after notification of the default, will pay to or on behalf of the mortgagee all sums attributable to the insured portion of the mortgage, exclusive of any acceleration provision, as and when the sums fall due, and no more, to the extent provided in the mortgage insurance agreement. On a temporary basis not to exceed 12 months, the Authority may pay all sums required by the mortgage, regardless of the amount insured, if the Authority determines that the payment is necessary to delay foreclosure of an industrial project and that the delay promotes the purposes of this subtitle. This payment will not relieve the tenant of any obligation.

(b) When a mortgagor does not meet mortgage payments insured in whole or in part by the Authority by reason of vacancy of its industrial project, the Authority, for the purpose of maintaining income from industrial projects on which mortgage loans have been insured by the Authority and for the purpose of safeguarding the mortgage insurance fund, may grant the mortgagor permission to lease or rent the property to a tenant for a use other than that specified in paragraph (3) of § 266-0, such lease or rental to be temporary in nature and subject to such conditions as the Authority may prescribe.

266S.

(a) There is hereby created an industrial project mortgage insurance fund, hereinafter in this subtitle referred to as the "fund" which shall be used by the Authority as a nonlapsing, revolving fund for carrying out the provisions of this subtitle. To this fund shall be charged any and all expenses of the Authority, including mortgage insurance payments required by loan defaults and to the fund shall be credited all receipts of the Authority, including mortgage insurance premiums and proceeds from the sale, disposal, lease, or rental of real or personal property which the Authority may receive under the provisions of this subtitle, and income earned by the investments of the Authority made on its behalf by the State Treasurer upon instruction of the Authority.

(b) Moneys in the fund not needed currently to meet the expenses and obligations of the Authority shall be deposited with the State Treasurer to the credit of the fund and invested in such manner as is provided for by statute.

(c) The State Treasurer shall render annual reports to the Authority advising the members of the Authority of the status of the funds invested, the market value of the assets in the fund as of the date such statement is rendered, and the interest received from the investments during the period covered by the report.

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