266T.

(a) The Authority, upon application of the proposed mortgagors, may insure part or all of the mortgage payments required by a first mortgage on any industrial project, upon such terms and conditions as the Authority may prescribe, if the aggregate amount of the insured portion of the principal obligations of all mortgages outstanding at any one time does not exceed an amount equal to five times the balance in the industrial project mortgage insurance fund.

(b) To be eligible for insurance under this subtitle a mortgage shall:

(1) Be made by a mortgagor as defined herein and held by a mortgagee approved by the Authority.

(2) Involve a principal obligation, including initial service charges and appraisal, inspection and other fees approved by the Authority, not more than 100 percent of the cost of the project. The portion of the principal obligation of the mortgage insured by the Authority may not exceed $5,000,000 for any one project and may not exceed 90 percent of the cost of the project (as defined in § 266-O) as to real property, nor 70 percent of the cost of the project (as defined in § 266-O) as to machinery and equipment.

(3) Have a maturity satisfactory to the Authority but in no case later than 25 years from the date of the insurance except in the case of machinery and equipment, for which the maturity is to be no more than 15 years from the date of the insurance but in no case beyond the normal useful life of the machinery and equipment.

(4) Contain repayment provisions satisfactory to the Authority requiring payments by the mortgagor which may include principal and interest payments, cost of local property taxes and assessments or payments in lieu thereof, landlease rentals if any, hazard insurance on the property, such mortgage insurance premiums as are required under § 266U, and such depreciation payments as may be necessary to maintain the integrity of the project until principal has been completely amortized, all as the Authority from time to time prescribes or approves.

(5) Be in such form and contain such terms and provisions with respect to property insurance, repairs, alterations, payment of taxes and assessments or payments in lieu thereof, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, and other matters as the Authority may prescribe.

(6) Not have a maturity later than the initial term of the lease of the property on which the mortgage is granted; provided, however, that this shall in no way preclude the prepayment of any mortgage so insured.