

the loan, including, if allowable, an assignment of or a lien on payment under the government contract.

Part V. [Special] GUARANTY Fund Financial Assistance

13-233.1.

(A) Subject to the restrictions of this Part V, the Authority, on application, may provide to a financial institution the following types of financial assistance from the [special] GUARANTY fund:

(1) [(i)] A guarantee of a long-term loan made by the financial institution to a qualified applicant; and

[(ii)] (2) An interest subsidy.

[(2)] (B) In providing financial assistance, the Authority shall recognize the need to serve applicants from all political subdivisions of the State.

13-233.2.

(a) The Authority may utilize the [special] GUARANTY fund to guarantee up to 80 percent of the principal OF and interest [of] ON a long-term loan made by a financial institution to an applicant only if:

(1) The applicant meets the requirements of § 13-231 and has not violated any provisions of § 13-233.4 of this subtitle;

(2) The loan amount is not less than \$5,000 and not more than \$500,000;

(3) The loan is to be used by the applicant for working capital or the acquisition of machinery or equipment;

(4) The loan shall mature in not less than 1 year and not more than 10 years from the date of closing of the loan; and

(5) The rate of interest on the loan is no greater than the rate of interest determined by the Authority to be the monthly weighted average of the prime lending rate, plus 1 percent, prevailing from time to time in the City of Baltimore on unsecured commercial loans.

13-233.3.

(a) To apply for financial assistance from the [special] GUARANTY fund, a financial institution shall submit to the Authority an application on the form that the Authority requires.

(c) After receipt of an application for financial assistance from the [special] GUARANTY fund, the Authority may