

(B) -- THE POLITICAL SUBDIVISION, IN ITS SOLE AND ABSOLUTE DISCRETION, MAY PRESCRIBE THE TERMS UPON WHICH A LOAN IS TO BE GUARANTEED AND MAY ESTABLISH PREMIUMS AND FEES IN AN AMOUNT CALCULATED TO COVER THE ADMINISTRATIVE EXPENSE OF GUARANTEERING THE LOAN AND THE RISK OF LOSS ARISING FROM A LOAN DEFAULT, PROVIDED THAT THE LOAN THAT IS TO BE GUARANTEED SHALL BE MADE TO AND FOR THE BENEFIT OF AN ENTERPRISE.

(C) -- IN LIEU OF DIRECTLY GUARANTEERING A LOAN, THE POLITICAL SUBDIVISION, IN ITS SOLE AND ABSOLUTE DISCRETION, MAY PROCURE A THIRD PARTY TO GUARANTEE A LOAN TO AN ENTERPRISE AND MAY PAY THE FEES THEREFOR ON BEHALF OF THE ENTERPRISE, PROVIDED THAT THE CONDITIONS AND LIMITATION SET FORTH IN SUBSECTION (A) AND (B) OF THIS SECTION ARE FULLY SATISFIED.

(D) -- THE POLITICAL SUBDIVISION SHALL DETERMINE IN ACCORDANCE WITH SOUND FINANCIAL PRINCIPLES THE RESERVES THAT SHALL BE MAINTAINED IN EACH LOCAL FUND TO ENSURE FULL AND PROMPT PAYMENT WHEN DUE OF ANY AMOUNTS PAYABLE AS A RESULT OF ANY DEFAULT ON A LOAN GUARANTEED UNDER THIS SECTION, AND FOR PURPOSES OF § 13-405 (E) (2) OF THIS SUBTITLE SUCH RESERVES SHALL BE DEEMED OBLIGATED IN THE FISCAL YEAR IN WHICH THE LOAN TO WHICH SUCH RESERVES APPLY IS GUARANTEED.

(E) -- A POLITICAL SUBDIVISION MAY GUARANTEE A LOAN MADE BY A PRIVATE LENDER TO AN ENTERPRISE OR PROCURE A THIRD PARTY TO GUARANTEE A LOAN TO AN ENTERPRISE PURSUANT TO THIS SECTION OR MAY MAKE AN EQUITY INVESTMENT IN OR A LOAN TO AN ENTERPRISE UNDER § 13-407 OF THIS SUBTITLE IN ANY COMBINATION WHICH THE POLITICAL SUBDIVISION, IN ITS SOLE AND ABSOLUTE DISCRETION, DEEMS APPROPRIATE.

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(A) -- A POLITICAL SUBDIVISION, IN ITS SOLE AND ABSOLUTE DISCRETION, MAY TERMINATE ITS LOCAL PROGRAM AND CEASE TO MAKE EQUITY INVESTMENTS AND LOANS AND TO GUARANTEE LOANS PURSUANT TO THIS SUBTITLE.

(B) -- PRIOR TO THE TERMINATION OF A LOCAL PROGRAM, ALL OUTSTANDING EQUITY INVESTMENTS SHALL BE LIQUIDATED ON TERMS MOST FAVORABLE TO THE POLITICAL SUBDIVISION AND THE NET PROCEEDS THEREOF SHALL BE DEPOSITED IN THE LOCAL FUND.

(C) -- FOLLOWING TERMINATION OF A LOCAL PROGRAM, THE POLITICAL SUBDIVISION SHALL CONTINUE:

(1) -- TO SERVICE FROM THE LOCAL FUND ALL OUTSTANDING LOANS AND LOAN GUARANTIES MADE BY THE POLITICAL SUBDIVISION PURSUANT TO THIS SUBTITLE PRIOR TO THE TERMINATION OF THE LOCAL PROGRAM IN ACCORDANCE WITH THEIR RESPECTIVE TERMS,

(2) -- TO DEPOSIT IN THE LOCAL FUND ALL REPAYMENTS OF PRINCIPAL OF AND INTEREST ON ALL OUTSTANDING LOANS MADE BY THE POLITICAL SUBDIVISION PURSUANT TO THIS SUBTITLE PRIOR TO THE