

Section 6. Recapture and Reallocations

(a) Any portion of the Maryland State Ceiling, with respect to which before October 1, 1987 (1) no bond issue requiring an allocation has been issued, (2) in the case of a public issue of bonds requiring an allocation, no preliminary official statement has been distributed by the underwriters with the approval of the Issuer in connection with a public offering of such bonds, or (3) no transfer of an allocation has been made by an Issuer to a State Issuer pursuant to Section 8 below, shall automatically revert to the State as of October 1, 1987 to be reallocated by the Secretary in accordance with the criteria set forth in Section 2(d)(4) and (5) above, except that the Secretary may also give priority according to the order in which requests for reallocation are received. No Issuer shall have the authority to carryforward any allocation received prior to October 1, 1987. Any portion of the Maryland State Ceiling which is retained by a Local Issuer because of subsection (2) of this Section 6(a) shall automatically revert to the State as of November 15, 1987 if the bonds which are the subject of the preliminary official statement have not been issued by November 14, 1987.

(b) Reallocations shall be made as follows:

(1) Special Rule for Community Development Administration. The unused balance of that portion of the Maryland State Ceiling initially allocated to the Community Development Administration for Housing Bonds is hereby reallocated to the Community Development Administration.

(2) General Rules.

(A) Issuers may request a reallocation for a specific Project by filing with the Secretary a draft of the information report required by Section 149(e) of the Code (the "Information Report"), and the information required by Sections 2(d)(4) and (5) above. The Secretary shall make a reservation of any reallocation in writing.

(B) A reservation made by the Secretary under Section 6(b)(2)(A) above shall expire on the date specified in the reservation.

(C) The Issuer named on the draft Information Report shall indicate either (1) on the draft Information Report or (2) by cover letter attached to the draft Information Report whether the proposed bond issue is being privately placed or publicly sold and the type of Private Activity Bonds to be issued.

(D) A reservation shall automatically convert to a reallocation at the time of the issuance and