

(4) In many instances on record, socially or economically disadvantaged persons lack adequate capital to sustain and expand their businesses and to hire and train employees;

(5) High risk, problem, or uncollectible loans are not in the interest of a financial institution, and therefore, financial institutions generally are reluctant to lend money to socially or economically disadvantaged persons with insufficient records of performance;

(6) The inability of businesses owned by socially or economically disadvantaged persons to obtain long-term financing is a major limitation upon their opportunity to survive and expand; and

(7) It is in the interest of the public welfare and purpose to promote the viability and expansion of businesses owned by economically or socially disadvantaged persons, to retain or increase the employment of economically or socially disadvantaged persons, and to provide a larger taxable base for the economy of this State.

(b) The purposes of the Authority are:

(1) To assist socially or economically disadvantaged persons to obtain working capital that is adequate to begin, continue, and complete [a project under a federal, State, or local government contract] PROJECTS, THE MAJORITY OF FUNDING FOR WHICH IS PROVIDED BY GOVERNMENT ENTITIES OR UTILITIES;

(2) To encourage socially or economically disadvantaged persons to seek government AND OTHER contracts; and

(3) To encourage financial institutions to make loans to these persons.

13-213.

The Authority shall:

(1) Keep proper records of its accounts;

(2) Keep separate records for the Contract Financing Fund, the Guaranty Fund, the Small Business Surety Bond [Guaranty] Fund, and the Equity Participation Investment Program Fund; and

(3) Make an annual report on its condition and operations to the Governor.

13-228.

(a) The Authority may utilize the Contract Financing Fund to guarantee a loan made to an applicant only if:

(1): The applicant meets the qualifications required by this subtitle; ~~and~~

(2) The loan is to be used to perform a contract [for a project financed by], THE MAJORITY OF FUNDING FOR WHICH IS PROVIDED BY the federal GOVERNMENT or [State] A STATE government, a local government, or a utility regulated by the Public Service Commission;