

(c) The Secretary, upon receipt of an application and after such investigation as he deems advisable, may approve a loan of up to fifty percent of the anticipated project cost, as determined by the Secretary, but not exceeding \$1,500,000 for any one project. In judging whether or not to approve a loan and the amount of a loan, the Secretary shall consider and determine in addition to those factors set forth in [§ 5-404(b)] § 5-704(B) of this subtitle, (i) whether the subdivision has available and committed toward the project sufficient funds to finance its share of the anticipated project costs; provided, however, that the Secretary may consider in lieu of funds on hand official and noncontingent commitments of funds from federal agencies, financial institutions, or other reliable sources; and provided further that the Secretary may grant a conditional approval for a period not exceeding two years in any case where application for all or part of the balance of the required funds has been made to a federal agency, financial institution, or other reliable source and additional time is required for affirmative action on the application, and (ii) the subdivision has presented evidence demonstrating its ability to carry out and complete the project as planned.

(d) (1) Upon approval of a loan, the Secretary shall enter into a loan agreement with the borrowing subdivision.

(2) Each loan agreement shall include:

(i) A provision for payments of interest only for a period not to exceed 2 years from the date of the loan;

(ii) A provision for payments of principal and interest, in accordance with an amortization schedule that the Secretary approves, for not more than a 30-year period from the end of the interest only payment period; and

(iii) The provisions for interest rate, notice and approval of conveyances of land, and prepayment of the loan, as specified in [§ 5-404(c)(2)(iii) through (v)] § 5-704(C)(2)(III) THROUGH (V) of this subtitle.

(3) The loan agreement may contain regulatory and security provisions.

(e) The loan agreement shall be recorded among the land records of the subdivision in which the land is located and shall constitute a lien upon the land and improvements.

(f) The Secretary may, upon application and after investigation, approve a loan not exceeding \$15,000 and on an equal matching basis with funds of the borrowing subdivision, for the purpose of financing planning or engineering study costs of or for a project situate or to be situate on land owned by or under option to the borrowing subdivision or owned by the federal government upon reasonable assurance that the site will be made available to the subdivision. Upon approval of any such loan, the Secretary and the subdivision shall enter into a loan agreement requiring repayment within five years at an interest rate calculated pursuant to [§ 5-404(c)(2)(iii)] § 5-704(C)(2)(III) of this subtitle and in accordance with an amortization schedule approved by the Secretary.

[5-406.] 5-706.

(a) (1) In this section, the following words have the meanings indicated.