

(e) The term of the special loan may not exceed 10 years.

(f) (1) The applicant for a special loan to finance a child care facility must agree to operate the child care facility for at least the term of the loan and to repay the outstanding loan in full upon the loss of license, termination of lease, or transfer, sale, or refinancing of the child care facility, as applicable, before the end of the loan term.

(2) The special loan documents may provide for penalties for any applicant who fails to operate the child care facility for the entire term of the loan.

(g) The minimum amount of a special loan for a facility shall be \$1,000 and the maximum amount shall be [~~\$5,000~~] \$10,000.

(h) (1) The proceeds of the special loans may be used:

(i) To assist applicants in meeting applicable State and local child care standards;

(ii) To pay for minor renovations, and for upgrading child care facilities to assure that applicants meet State and local child care standards; or

(iii) For the purchase and installation of equipment, machinery, and furniture, including equipment needed to accommodate children with special needs.

(2) The loan proceeds may not be used for the purchase or improvement of land or for the purchase, construction, or improvement of any building or facility.

(i) An applicant for a special loan under this subtitle may also receive a direct loan from the Child Care Facilities Direct Loan Fund and a loan guaranteed by the Day Care Facilities Loan Guarantee Fund.

[6-3A-10.] 6-310.

If an applicant violates any provision of the loan documents or ceases to meet the requirements of this subtitle, on reasonable notice to the applicant, the Department may:

(1) Withhold from the applicant further advances of loan proceeds until the applicant complies with the agreement or requirements; and

(2) Exercise any other remedy for which the loan documents provide.

[6-3A-11.] 6-311.

(a) A person may not knowingly make or cause any false statement or report to be made in any application or in any document furnished to the Department.

(b) A person may not knowingly make or cause any false statement or report to be made for the purpose of influencing the action of the Department affecting financial assistance whether or not such assistance may have already been extended.

(c) Any person or any aider or abettor, who violates any provision of this subtitle, is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$50,000 or imprisonment not exceeding 5 years or both.