

~~(iv) To the extent that it is to be repaid~~ (3) EXCEPT AS PROVIDED IN PARAGRAPHS (4) AND (5) OF THIS SUBSECTION, THE FIRST 40 PERCENT OF THE OBLIGATION INITIAL PRINCIPAL BALANCE OF A LOAN MADE UNDER THIS SUBTITLE is a general obligation secured by the assets and revenues of the political subdivisions ~~that will assure repayment~~ SUBDIVISION IN WHICH THE PROJECT IS LOCATED AS PROVIDED EITHER IN THE LOAN DOCUMENT DOCUMENTS BETWEEN THE DEPARTMENT AND A BORROWING POLITICAL SUBDIVISION OR, WHEN A POLITICAL SUBDIVISION IS NOT THE BORROWER, IN A GUARANTEE AGREEMENT BETWEEN THE DEPARTMENT AND A POLITICAL SUBDIVISION. However, notwithstanding any other provision of law, a loan to OR GUARANTEE BY Baltimore City, Baltimore County, or Prince George's County, under this subtitle may be undertaken or entered into by the counties or Baltimore City pursuant to and within the limitations of this subtitle without regard to any limitations set forth in its charter or other applicable public local or public general law that would otherwise apply, and without complying with any procedures set forth in its charter or other applicable public local or public general law that would otherwise be required.

(4) BEFORE EXECUTING A LOAN OR GUARANTEE AGREEMENT, THE SECRETARY MAY INCREASE THE PERCENT OF THE INITIAL PRINCIPAL BALANCE OF A LOAN MADE UNDER THIS SUBTITLE THAT CONSTITUTES A GENERAL OBLIGATION OF THE SUBDIVISION IN WHICH THE PROJECT IS LOCATED IF THE SECRETARY DETERMINES THAT THE REQUESTED FINANCING IS NOT SUFFICIENTLY SUPPORTED BY:

- (I) THE QUALITY OF THE APPLICANT'S CREDIT; OR
- (II) THE EXPECTED REVENUE OF THE PROJECT.

(5) UPON APPROVAL OF THE SECRETARY, A LOAN MADE UNDER THIS SUBTITLE DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE POLITICAL SUBDIVISION IN WHICH THE PROJECT IS LOCATED IF:

- (I) THE LOAN DOES NOT EXCEED \$100,000;
- (II) THE POLITICAL SUBDIVISION IN WHICH THE PROJECT IS LOCATED PROVIDES CASH FUNDS FOR THE PROJECT THAT EQUALS 40 PERCENT OF THE LOAN MADE UNDER THIS SUBTITLE; AND
- (III) THE SECRETARY DETERMINES THAT THE DEPARTMENT HAS ADEQUATE COLLATERAL TO SECURE THE LOAN OR THAT THE PROJECT IS EXPECTED TO GENERATE REVENUE SUFFICIENT TO REPAY THE LOAN.

5-804.

(a) For approval of a loan or grant by the Secretary, the [political subdivision or its development agency] APPLICANT shall file with the Department a project plan that includes:

- (1) A legal description of the land within the project area;
- (2) A description of the present condition and uses of the land;