

(V) IF A LOAN FOR A LOCAL ECONOMIC DEVELOPMENT OPPORTUNITY OR TO A LOCAL GOVERNMENT, SHALL CARRY AN INTEREST RATE NOT EXCEEDING ONE-EIGHTH OF ONE PERCENT PLUS THE NET INTEREST COST OF THE MOST RECENT STATE GENERAL OBLIGATION BOND ISSUE PRECEDING THE APPROVAL OF THE LOAN;

(VI) SHALL NOT BEAR A RATE OF INTEREST LESS THAN 3% UNLESS THE PROJECT FUNDED BY A LOAN IS LOCATED IN AN AREA OF HIGH UNEMPLOYMENT OR THE DEPARTMENT DETERMINES THAT THE BORROWER IS CARRYING OUT A COMPELLING ECONOMIC DEVELOPMENT INITIATIVE; AND

[(vi)](VII) May not be used to refinance existing debt.

(2) Loans from the Fund may not be for a term exceeding:

(i) For working capital - 3 years;

(ii) For financing machinery, equipment, furnishings, or fixtures - [10 years] THE LESSER OF 15 YEARS OR THE USEFUL LIFE OF THE ASSET, AS DETERMINED BY THE DEPARTMENT; [and]

(iii) For financing the construction or acquisition of buildings and real estate - 25 years; AND

(IV) FOR FINANCING REDEVELOPMENT OF A QUALIFIED BROWNFIELDS SITE - A TERM APPROVED BY THE DEPARTMENT OR THE AUTHORITY.

(3) FOR LOANS FROM THE FUND THE DEPARTMENT MAY:

(I) WAIVE INTEREST DURING THE FIRST 2 YEARS OF A LOAN TERM;

OR

(II) UPON A DEFAULT BY THE BORROWER, IMPOSE AN INTEREST RATE THAT EXCEEDS THE LIMITS SET FORTH IN PARAGRAPH (1) OF THIS SUBSECTION.

(4) INVESTMENTS FROM THE FUND MAY BE MADE ONLY IN CONJUNCTION WITH A LOAN OR A GRANT FROM THE FUND.

(d) To be eligible for [a loan] FINANCIAL ASSISTANCE from the Fund, an applicant must be:

(1) An individual [or a], private business, NOT FOR PROFIT entity, OR LOCAL GOVERNMENT [who] WHICH:

(i) [Is primarily engaged in a business] UNLESS THE APPLICANT IS A LOCAL GOVERNMENT INTENDING TO USE THE FINANCIAL ASSISTANCE TO CARRY OUT A PROJECT THAT DOES NOT BENEFIT A PARTICULAR PRIVATE SECTOR ENTITY, MUST USE THE REQUESTED FINANCIAL ASSISTANCE FOR A PROJECT in an eligible industry sector;