

(iii) Has any other social or economic impediment that is beyond the personal control of the applicant, such as lack of formal education or financial capacity or geographical or regional economic distress but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance; OR

(IV) DOES NOT MEET THE ESTABLISHED CREDIT CRITERIA OF AT LEAST ONE FINANCIAL INSTITUTION.

5-1029.

(a) The Authority may utilize the Guaranty Fund to guarantee up to 80 percent of the principal of and interest on a long-term loan made by a financial institution to an applicant only if:

(1) The applicant meets the requirements of § 5-1025 and has not violated any provisions of § 5-1031 of this subtitle;

(2) The loan amount is not less than \$5,000 and the maximum amount payable by the Authority under its guarantee does not exceed [~~\$600,000~~] \$1,000,000;

(3) The purposes for which the loan is to be used include:

(i) Working capital;

(ii) The acquisition and related installation of machinery or equipment;

(iii) Necessary improvements to real property leased or owned in fee simple by the applicant; or

(iv) The acquisition of real property to be owned in fee simple by the applicant if:

1. The real property is to be used in the operation of the applicant's trade or business for which the loan and guarantee are sought; and

2. A lien is placed on the real property by the financial institution or the Authority;

(4) The loan shall mature in not more than 10 years from the date of closing of the loan; and

(5) The rate of interest on the loan is no greater than the rate of interest determined by the Authority to be the monthly weighted average of the prime lending rate, plus 2 percent, prevailing from time to time in the City of Baltimore on unsecured commercial loans.