

(d) (1) Except as provided in paragraph (2) of this subsection, the term of any loan or other financial assistance may not exceed 10 years.

(2) If more than 50% of the proceeds of a loan made from the Fund are used for working capital, the term of the loan may not exceed [1 year] 3 YEARS, unless[:

(i) At], AT the end of [1 year] 3 YEARS, the Department reviews the [borrowers' ] BORROWER'S performance and financial condition and determines that [a 1-year], SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, AN extension of the term is appropriate[; and

(ii) In the case of a loan term that is extended for an additional year, at the end of the additional year, the Department repeats the review and determines that an additional 1-year extension is appropriate].

(3) The term of a loan made under paragraph (2) of this subsection may not exceed [3] 5 years.

(e) The applicant must provide at least 10% of the total project costs or capital needed.

(f) Funds made available through financial assistance may be used only to finance costs incurred for:

(1) Acquisition or construction of a building or real estate;

(2) Acquisition, construction, or installation of machinery, equipment, furnishings, fixtures, leasehold improvements, or site improvements; or

(3) Working capital.

(g) If an applicant violates any provision of the financial assistance documents or ceases to meet the requirements of this subtitle, the Department may:

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

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

(h) The Department shall adopt regulations necessary to carry out the provisions of this subtitle.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2001.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect June 1, 2001.

May 17, 2001

The Honorable Thomas V. Mike Miller, Jr.