

Approved April 30, 1991.

CHAPTER 71

(Senate Bill 35)

AN ACT concerning

Maryland Small Business Development Financing Authority – Long Term Guaranty Program

FOR the purpose of altering certain conditions for loan guarantees and interest subsidies by the Maryland Small Business Development Financing Authority; and generally relating to financial assistance by the Maryland Small Business Development Financing Authority.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 13-233.2

Annotated Code of Maryland

(1986 Replacement Volume and 1990 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Financial Institutions

13-233.2.

(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 § 13-231 and has not violated any provisions of § 13-233.4 of this subtitle;

(2) The loan amount is not less than \$5,000 and [not more than \$500,000] THE MAXIMUM AMOUNT PAYABLE BY THE AUTHORITY UNDER ITS GUARANTEE DOES NOT EXCEED \$600,000;

(3) The loan is to be used by the applicant for:

(i) Working capital;

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

(iii) Necessary improvements to real property owned in fee simple by the applicant, but in no case shall the portion of the loan used for improvements to real property exceed one half of the entire loan amount;