

(7) The Administration shall operate the Drinking Water Loan Fund in accordance with § 9-1616 through § 9-1621, inclusive, of this article.

(b) There shall be deposited in the Drinking Water Loan Fund:

(1) Federal grants and awards or other federal assistance received by the State for the purpose of making loans to borrowers for water supply systems and any funds transferred from the Water Quality Fund pursuant to § 302 of the federal Safe Drinking Water Act;

(2) Funds appropriated by the General Assembly for deposit to the Drinking Water Loan Fund;

(3) Payments received from borrowers for deposit to the Drinking Water Loan Fund in repayment of a loan, including amounts withheld by the State Comptroller and paid to the Administration pursuant to a pledge made by a borrower under § 9-1606(d) of this article or § 7-222 of the State Finance and Procurement Article;

(4) Net proceeds of bonds issued by the Administration;

(5) Interest or other income earned on the investment of moneys in the Drinking Water Loan Fund; and

(6) Any additional moneys made available from any sources, public or private, for the purposes for which the Drinking Water Loan Fund has been established.

(c) The Administration may from time to time establish accounts and subaccounts within the Drinking Water Loan Fund as may be deemed desirable to effectuate the purposes of this subtitle, to comply with the provisions of any bond resolution, to meet the requirements of any federal law, or of any federal grant or award to the Drinking Water Loan Fund, or to meet any rules or program directives established by the Secretary or the Board.

(d) Amounts in the Drinking Water Loan Fund may be used only:

(1) To make loans at or below market rates on the condition that:

(i) The local government borrower will establish a dedicated source of revenue;

(ii) In the case of a water supply system owned by a borrower other than a local government, the borrower shall provide adequate security for the repayment of the loan;

(iii) The Drinking Water Loan Fund will be credited with all payments of principal and interest on all loans; and

(iv) Annual principal and interest payments will commence not later than 1 year after completion of any drinking water facility and, except as provided in § 130 of the federal Safe Drinking Water Act, all loans will be fully amortized not later than 20 years after project completion;