(2) THIS SUBTITLE DOES NOT REQUIRE AN APPROPRIATION TO THE FUND FROM THE GENERAL FUND OF THE STATE, REGARDLESS OF THE AVAILABILITY OF OTHER FUNDING SOURCES FOR THE FUND.

(E) USES.

(1) THE FUND SHALL BE USED TO:

(I) MAKE LOANS TO NEW OR EXISTING COMPANIES IN COMMUNITIES THAT SUFFER DISLOCATION DUE TO DEFENSE ADJUSTMENTS, ENABLING THE COMPANIES TO:

1. MODERNIZE MANUFACTURING OPERATIONS;

2. DEVELOP COMMERCIAL APPLICATIONS FOR TECHNOLOGY; OR

3. COMPETE IN NEW ECONOMIC MARKETS;

(II) MAKE GRANTS TO LOCAL OR REGIONAL GOVERNMENTAL OR NOT–FOR–PROFIT ECONOMIC DEVELOPMENT REVOLVING LOAN FUNDS IN THE STATE; AND

(III) PAY ALL EXPENSES AND DISBURSEMENTS AUTHORIZED BY THE DEPARTMENT FOR ADMINISTERING THE FUND.

(2) A LOAN TO AN ELIGIBLE COMPANY UNDER THIS SUBTITLE MAY INCLUDE:

(I) ADVANCES OF LOAN PROCEEDS FOR LOANS; AND

(II) TO THE EXTENT ALLOWED BY THE REGULATIONS OF THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF COMMERCE, MONEY FOR EXPENSES FOR ADMINISTRATIVE, LEGAL, ACTUARIAL, TECHNICAL, AND OTHER SERVICES.

(3) IN MAKING LOANS UNDER THIS SUBTITLE, THE DEPARTMENT SHALL GIVE PRIORITY TO:

(I) DEFENSE CONTRACTORS; AND

(II) COMPANIES STARTED BY FORMER DEFENSE WORKERS WHO LOST EMPLOYMENT WITH DEFENSE CONTRACTORS.

(4) SUBJECT TO THE RESTRICTIONS OF THIS SUBTITLE, THE DEPARTMENT MAY MAKE A LOAN FROM THE FUND TO AN APPLICANT ONLY IF:

(I) THE APPLICANT MEETS THE QUALIFICATIONS UNDER THIS SUBTITLE; AND

(II) THE APPLICANT MEETS ANY ADDITIONAL REQUIREMENTS IMPOSED BY THE SOURCE OF THE MONEY TO BE LOANED.

(F) INVESTMENTS; ANNUAL REPORT.