5–206. LOAN — TERMS AND CONDITIONS.

(A) AUTHORITY OF DEPARTMENT.

EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE DEPARTMENT MAY SET THE TERMS AND CONDITIONS FOR LOANS AND GRANTS MADE UNDER THIS SUBTITLE.

(B) AUTHORITY OF COMMITTEE.

THE COMMITTEE SHALL:

(1) DETERMINE WHETHER TO APPROVE LOAN REQUESTS FROM QUALIFIED APPLICANTS FOR LOANS UNDER THIS SUBTITLE; AND

(2) SET THE TERMS AND CONDITIONS FOR LOANS MADE UNDER THIS SUBTITLE.

(C) LOAN FROM FEDERAL SOURCE; MAXIMUM.

THE MAXIMUM AMOUNT OF A LOAN MADE WITH MONEY FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF COMMERCE MAY NOT EXCEED THE LIMIT IT SETS BY REGULATION.

(D) MINIMUM INTEREST RATE.

THE MINIMUM INTEREST RATE FOR A LOAN UNDER THIS SUBTITLE IS AN ANNUAL FIXED RATE OF 4%.

(E) USE OF PROCEEDS.

THE PROCEEDS OF A LOAN MAY BE USED FOR WORKING CAPITAL, EQUIPMENT, FURNISHINGS, FIXTURES, OR THE CONSTRUCTION, REHABILITATION, OR PURCHASE OF REAL PROPERTY FOR THE ACTIVITIES THAT THE COMMITTEE APPROVES.

(F) REPAYMENT PROVISIONS.

THE COMMITTEE MAY AUTHORIZE A FLEXIBLE REPAYMENT SCHEDULE FOR A LOAN UNDER THIS SUBTITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 83A, §§ 6–504(e) and 6–509(a) and (e) through (g) and, as it related to authorizing flexible loan repayment schedules, (c)(3).

In subsection (a) of this section, the reference to loans and grants "made under this subtitle" is added for clarity. Similarly, in subsections (d) and (f) of this section, the references to a loan "under this subtitle" are added.

Defined terms: "Committee" § 5–201
"Department" § 1–101
"Working capital" § 5–201

5–207. LOAN — DOCUMENTS.

(A) PREPARATION BY DEPARTMENT.