PARAGRAPH INCURRED BY A BUSINESS THAT HAS RECEIVED OR WILL RECEIVE A DAY CARE LOAN INSURED BY THE MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY.

(4) FINANCIAL ASSISTANCE FOR PREPARATION OF A STRATEGY OR PLAN FOR ECONOMIC DEVELOPMENT OF A COUNTY OR MUNICIPAL CORPORATION MAY NOT EXCEED:

(I) 50% OF THE COSTS OF PREPARATION; OR

(II) $50,000 IN A 3–YEAR PERIOD.

(C) INTEREST RATES.

(1) A LOAN FROM THE FUND SHALL BEAR AN INTEREST RATE BELOW THE MARKET RATE OF INTEREST, AS DETERMINED BY THE DEPARTMENT, IF THE LOAN IS FOR:

(I) A SIGNIFICANT STRATEGIC ECONOMIC DEVELOPMENT OPPORTUNITY; OR

(II) A SPECIALIZED ECONOMIC DEVELOPMENT OPPORTUNITY.

(2) A LOAN FROM THE FUND FOR A QUALIFIED DISTRESSED COUNTY PROJECT SHALL BEAR AN INTEREST RATE DETERMINED BY THE DEPARTMENT OR THE AUTHORITY.

(3) A LOAN FROM THE FUND SHALL BEAR AN INTEREST RATE NOT EXCEEDING ONE–EIGHTH OF 1% PLUS THE NET INTEREST COST OF THE MOST RECENT STATE GENERAL OBLIGATION BOND ISSUE PRECEDING THE APPROVAL OF THE LOAN IF THE LOAN IS:

(I) FOR A LOCAL ECONOMIC DEVELOPMENT OPPORTUNITY; OR

(II) TO A LOCAL GOVERNMENT.

(4) A LOAN FROM THE FUND MAY NOT BEAR AN INTEREST RATE OF LESS THAN 3% UNLESS:

(I) THE PROJECT FUNDED BY THE LOAN IS LOCATED IN AN AREA OF HIGH UNEMPLOYMENT; OR

(II) THE DEPARTMENT DETERMINES THAT THE BORROWER IS CARRYING OUT A COMPELLING ECONOMIC DEVELOPMENT INITIATIVE.

(D) WAIVER OF INTEREST.

(1) THE DEPARTMENT MAY WAIVE INTEREST DURING THE FIRST 2 YEARS OF THE TERM OF A LOAN FROM THE FUND.

(2) IF A BORROWER DEFAULTS ON A LOAN FROM THE FUND, THE DEPARTMENT MAY IMPOSE AN INTEREST RATE THAT EXCEEDS THE LIMITS SET FORTH IN SUBSECTION (C)(1) OR (3) OF THIS SECTION.

(E) TERMS OF LOANS.

THE TERM OF A LOAN FROM THE FUND MAY NOT EXCEED: