

an interest rate not exceeding one-eighth of one percent plus the net interest cost of the most recent State general obligation bond issue preceding the approval of the loan;

(vi) Shall not bear a rate of interest less than 3% unless the project funded by a loan is located in an area of high unemployment or the Department determines that the borrower is carrying out a compelling economic development initiative;

(vii) If a loan for a qualified distressed county project, shall carry a rate of interest determined by the Department or the Authority; and

(viii) May not be used to refinance existing debt.

(2) Loans from the Fund may not be for a term exceeding:

(i) For working capital – 3 years;

(ii) For financing machinery, equipment, furnishings, or fixtures – the lesser of 15 years or the useful life of the asset, as determined by the Department;

(iii) For financing the construction or acquisition of buildings and real estate – 25 years; and

(iv) For financial assistance for redevelopment of a qualified brownfields site or a qualified distressed county project – a term approved by the Department or the Authority.

(3) For loans from the Fund the Department may:

(i) Waive interest during the first 2 years of a loan term; or

(ii) Upon a default by the borrower, impose an interest rate that exceeds the limits set forth in paragraph (1) of this subsection.

(4) Proceeds of investments from the Fund may be expended only on costs described in subsection (b) of this section.

(d) To be eligible for financial assistance from the Fund, an applicant must be:

(1) An individual, private business, not for profit entity, or local government which: