

and real estate acquisition but not for working capital. The maximum loan term is 20 years. The Fund is administered by the Maryland Industrial Development Financing Authority.

MARYLAND ENERGY FINANCING
ADMINISTRATION

Luther B. Miller, Jr., *Director*

333-4262

Created in 1981 in response to federal funding initiatives for energy conservation and alternative source development, the Maryland Energy Financing Administration came under the jurisdiction of the Maryland Industrial Development Authority in 1988 (Chapter 141, Acts of 1988).

The Administration provides financial assistance to Maryland businesses for energy conservation or generation projects by issuing tax-exempt or taxable-rate revenue bonds or notes which provide below-market interest rates. If necessary, the Maryland Industrial Development Financing Authority may insure all or part of such obligations.

MARYLAND SMALL BUSINESS
DEVELOPMENT FINANCING AUTHORITY

Lloyd M. Arrington, Jr., *Chairperson*, 1993

Appointed by Governor: Chun Yong Chung, 1990; Jerry Feigen, 1991; Dorothy E. Brunson, 1992; Lillian H. Lincoln, 1992; Gerald G. Abrams, 1994; Herman Katkow, 1994; two vacancies.

Ex officio: J. Randall Evans, Secretary of Economic & Employment Development; Donald Walton, designee of State Treasurer.

Stanley W. Tucker, *Executive Director*

217 E. Redwood St.
Baltimore, MD 21202

333-4270

The Maryland Small Business Development Financing Authority (MSBDFEA) was created in 1978 (Chapter 879, Acts of 1978). To provide financial assistance to minority businesses, the Authority administers four programs: Government Contract Financing; Long-Term Guarantee; Equity Participation Investment; and Surety Bond Guaranty Assistance.

Government Contract Financing Program. For eligible firms with government contracts, the Authority may guarantee a loan from a financial institution or provide a direct loan for working capital and equipment. These guarantees or loans may be provided only as necessary to fulfill contracts on projects financed by federal, State or local government, or by a utility regulated by the Public Service Commission.

Long-Term Guarantee Program. For all eligible firms, the Authority may guarantee and/or pay an interest rate subsidy on a long-term loan made by

a financial institution for working capital, acquisition and related installation of machinery and equipment, or necessary improvements to real property owned in fee simple by the applicant.

Equity Participation Investment Program. For all eligible firms, the Authority may invest up to 45 percent or \$100,000 (whichever is less) as equity or debt needed to start a franchise operation. The Authority requires the initial investment to be recovered within five years. The Authority also may invest up to 25 percent or \$500,000 (whichever is less) as equity or debt needed to acquire an existing profitable business. The Authority requires the initial investment to be recovered within seven years.

Surety Bond Guaranty Assistance Program. All small businesses are eligible. This program helps the small contractor secure bonding by guaranteeing 90 percent of the losses that a surety company incurs in the event of a breach of contract.

Programs of the Maryland Small Business Development Financing Authority are unique. A major criterion for approval of Authority guarantees and loans is the economic impact resulting from the use of available funds. This impact is measured according to the projected number of jobs retained and created, and the projected amount of tax revenue generated from the use of these funds.

The Authority's seven members are appointed to five-year terms by the Governor. The Secretary of Economic and Employment Development and either the State Treasurer or Comptroller, as designated by the Governor, serve *ex officio* (Code Financial Institutions Article, secs. 13-201 through 13-234).

DAY CARE FINANCING PROGRAMS

Joan Case, *Director*

217 E. Redwood St.
Baltimore, MD 21202

333-4308

Formed in 1988, Day Care Financing Programs administers two funds to promote economic development, increase employment, and expand quality day care in Maryland. To aid employers and developers in the day care industry, the two financing funds provide financial assistance for small business owners.

The Day Care Facilities Loan Guarantee Fund was created in 1984 to help small businesses providing day care. The Fund finances up to 80 percent of loans by a lender. It is available for day care centers for infants, toddlers, and preschool age children, as well as elderly and medically handicapped adults. Loan proceeds can be used for the purchase of land, equipment, and supplies; renovation; building construction; and working capital (Code 1957, Art. 83A, secs. 6-201 through 6-213).

The Child Care Facilities Direct Loan Fund was formed in 1988 (Chapter 248, Acts of 1988). The Fund can be used for the construction, renovation,