

approval of the Governor. The Secretary of Economic and Employment Development or designee, and either the State Treasurer or Comptroller of the Treasury, as designated by the Governor, or their designees serve *ex officio*. The Authority appoints an Executive Director who serves as Secretary.

MARYLAND ENTERPRISE INCENTIVE DEPOSIT FUND

The Maryland Enterprise Incentive Deposit Fund was created in 1989 (Chapter 822, Acts of 1989). The Fund assists eligible small businesses in fixed asset financing. This financing assistance is provided through the placement of a certificate of deposit with a participating lender who agrees to make a five-year term loan to the business at a loan interest rate three percent less than the rate normally charged. Concurrently, the Fund agrees to accept an interest rate on the certificate which is three percent less than the market rate on certificates of similar maturity. This assistance may not exceed \$500,000.

An eligible business is a for-profit business, employing 500 people or less, located in a county with a population of less than 200,000 and an unemployment rate at least 130% of the rate for the State during the most recent four consecutive quarters. The Fund is administered by the Maryland Industrial Development Financing Authority.

MARYLAND SEAFOOD & AQUACULTURE LOAN FUND

Established in 1990, the Maryland Seafood and Aquaculture Loan Fund fosters expansion, modernization, and innovation in the seafood processing and aquaculture industries (Chapter 511, Acts of 1990).

The Fund can provide a loan of up to half the cost of a project with the maximum loan being \$250,000. The interest rate on loans is fixed at a rate below the prime rate of interest at the time the loan is approved. Loans may be used for equipment, real estate acquisition, and construction of aquaculture parks, 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*
(410) 333-4782

Created in 1981 in response to federal funding initiatives for energy conservation and alternative source development, the Maryland Energy Financing Administration became affiliated with the Maryland Industrial Development Financing 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.

TRADE FINANCE PROGRAM

Marie V. Torres, *Director*
(410) 333-8189

To encourage Maryland businesses to expand their efforts to export Maryland products and services, the Trade Finance Program was established under the Maryland Industrial Development Financing Authority. The Program is designed to provide pre-export working capital and/or financing of shipments abroad. Actual financing is provided by lending institutions, with the Authority serving as an insurer of the obligation.

The Trade Finance Program also works with the Export-Import Bank of the United States (Eximbank) to help Maryland businesses obtain financing assistance from Eximbank by packaging Eximbank's Working Capital Guarantee Program applications and obtaining foreign credit risk protection through the Foreign Credit Insurance Association's Umbrella Policy.

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

Gerald L. Feigen, *Acting Chairperson*, 1996
Stanley W. Tucker, *Executive Director*
(410) 333-4270

The Maryland Small Business Development Financing Authority (MSBDEFA) was created in 1978 (Chapter 879, Acts of 1978). To provide financial assistance to socially and economically disadvantaged businesses within the State, the Authority administers four programs: Government Contract Financing; Long-Term Guarantee; Equity Participation Investment; and Surety Bonding.

Government Contract Financing Program. For eligible firms with government or public utility 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.