§ 1814. Loans and loan guarantees for machinery and equipment. 1. Notwithstanding any other provisions of this title, the authority may make loans to local development corporations to assist in financing the cost of machinery and equipment, provided, however,

(a) that the amount of such loan shall not exceed forty percent of the cost of such machinery and equipment, except as provided in paragraph (b) of subdivision two of section eighteen hundred three and paragraph (a) of subdivision seven of section eighteen hundred twenty-three of this chapter;

(b) that the loan shall be evidenced by a bond, note or other obligation of a local development corporation, a project occupant, or other person, firm or corporation and secured by a security agreement, chattel paper, loan agreement, or such other instruments or documents deemed necessary or convenient to perfect a security interest in the machinery and equipment financed and to protect the interests of the authority; and

(c) that such security interest taken by the authority shall not be subordinate, but may be a participating interest which, when added to the security interests of other lenders, does not exceed ninety percent of the cost of such machinery and equipment.

2. Notwithstanding any other provisions of this title, the authority may issue a loan guarantee to a banking organization to assist in financing the cost of machinery and equipment, provided, however,

(a) that the amount of the loan guarantee shall not exceed eighty percent of the amount of the cost of the machinery and equipment; and

(b) that the loan of the banking organization shall be evidenced by a bond, note or other obligation of a project occupant, or other person, firm or corporation and secured by a security agreement, chattel paper, loan agreement, or such other instruments or documents deemed necessary or convenient by the authority to perfect a security interest in the machinery and equipment financed and to protect the interests of the authority.