§ 1822. Loans to local development corporations. a. No mortgage loan shall be made by the authority under the provisions of subtitle II with respect to a project unless: (1) the local development corporation has obtained firm commitments satisfactory to the authority from responsible financial sources, which may but need not include a federal agency or the project occupant, for the total project cost exclusive of any loan requested from the authority, (2) the local development corporation has obtained a firm commitment satisfactory to the authority from the project occupant or from a business enterprise described in section eighteen hundred twenty-seven to lease or use the project after construction, acquisition, rehabilitation or improvement is completed, (3) the authority approves the terms of such lease or use and is satisfied that the project occupant or a business enterprise described in section eighteen hundred twenty-seven may reasonably be expected to comply with the terms thereof, (4) the principal amount of such loan is forty percent or less of the project cost, except as set forth in paragraphs (a) and (b) of subdivision two of section eighteen hundred three and paragraph (a) of subdivision seven of section eighteen hundred twenty-three of this chapter, (5) such loan is secured by a mortgage on the project, and (6) such mortgage is not a junior encumbrance on the project by more than fifty percent of the project cost.

b. No loan shall be made by the authority under the provisions of subtitle III with respect to a project unless: (1) the local development corporation has obtained firm commitments satisfactory to the authority from responsible financial sources, which may but need not include a federal agency or the project occupant, for the total project cost exclusive of any loan requested from the authority, (2) the local development corporation has obtained a firm commitment satisfactory to the authority from the project occupant to lease or use the project after construction, acquisition, rehabilitation or improvement is completed, (3) the authority approves the terms of such lease or use and is satisfied that the project occupant may reasonably be expected to comply with the terms thereof, (4) the amount of such loan is ninety per cent or less of the project cost and the term of such loan is twenty years or less, (5) the authority finds that the facilities to be financed through the loan are intended to meet or exceed applicable

state or federal requirements to abate, prevent or control a pollution, and the commissioner of environmental conservation approves the construction plans for any such facilities.

c. No loan shall be guaranteed by the authority with respect to a project unless: (1) the project occupant has obtained firm commitments satisfactory to the authority from banking organizations for the financing of the project cost exclusive of the amount to be provided by the project occupant, (2) the authority is satisfied that the project occupant may be reasonably expected to comply with the terms of any loan for which a guarantee is sought, (3) the amount of the guarantee is eighty percent or less of the project cost, (4) the loan is secured by a mortgage or security instrument which is not a junior encumbrance on the project.