§ 72. Terms and security for state loans. 1. Loans shall be made at the rate of interest paid or to be paid by the state for the funds loaned to the authority or municipality, plus a proportionate share of the actual direct cost of the borrowing as certified by the state comptroller. Such loan shall be repaid in equal annual installments over or within a period of fifty years, but in no case to exceed the probable life of the buildings and improvements of the project or part thereof to which the proceeds thereof are to be applied. The probable life of the buildings and improvements of such projects is hereby determined to be fifty years. Each installment shall equal the amount payable by the state for moneys borrowed for the loan and shall be paid not later than five days before each such payment by the state is required.

2. The loan contract shall provide that upon any date when an installment of principal shall become due and payable the authority may anticipate any installment which would otherwise thereafter become due and payable. In the case of loans to municipalities, the loan contract may contain such a provision.

3. Should the authority or municipality fail to make payment of interest or principal upon any due date, the state comptroller may deduct and retain from any moneys otherwise payable by the state to such authority or municipality, the amount of such interest and principal and credit such authority or municipality with the amount of such deduction.