§ 410-g. Mortgage loans. 1. Any eligible borrower may, subject to the approval of the commissioner, borrow funds from the agency and secure the repayment thereof by bond or note and mortgage which shall contain such terms and conditions as may be deemed necessary or desirable by the agency or required by any agreement between the agency and the holders of its notes and bonds, including the right to assignment of rates and charges and entry into possession in case of default, but the operation of such project, in the event of such entry, shall be subject to the regulations of the commissioner.

2. The agency may make contracts to make loans to an eligible borrower in an amount not to exceed the total project cost. Any such loan shall be secured by a first mortgage lien upon all the real property and improvements of which the project consists and may be secured by such a lien upon other real property owned by the eligible borrower, and upon all fixtures and articles of personal property attached to or used in connection with the operation of the project.

3. Any inconsistent provision of law to the contrary notwithstanding, mortgages of an eligible borrower shall be exempt from the mortgage recording taxes imposed by article eleven of the tax law.