

**ECONOMIC DEVELOPMENT AUTHORITY[261]**

**Adopted and Filed**

**Rulemaking related to downtown loan guarantee program**

The Economic Development Authority hereby rescinds Chapter 36, “Downtown Loan Guarantee Program,” Iowa Administrative Code, and adopts a new Chapter 36 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 15.106A and 15.431.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 15.431.

*Purpose and Summary*

Pursuant to Executive Order 10, the Authority is rescinding Chapter 36 and adopting a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Downtown Loan Guarantee Program administered by the Authority pursuant to Iowa Code section 15.431. The program provides loan guarantees for eligible downtown revitalization projects.

The updated chapter is more concise throughout. Unnecessary definitions and language that duplicates statute have been omitted.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 21, 2026, as **ARC 9976C**. A public hearing was held on the following date(s):

- February 10, 2026
- February 12, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Authority Board on March 20, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 261—Chapter 36 and adopt the following **new** chapter in lieu thereof:

CHAPTER 36  
DOWNTOWN LOAN GUARANTEE PROGRAM

**261—36.1(15) Definitions.**

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Authority’s website*” means the information and related content found at [www.opportunityiowa.gov](http://www.opportunityiowa.gov).

“*Borrower*” means a business that is approved for a loan by a lender and that has applied for assistance under the program.

“*Director*” means the director of the authority.

“*Iowa finance authority*” means the public instrumentality and agency of the state created by Iowa Code section 16.1A.

“*Lender*” means a federally insured financial lending institution that issued a loan to a borrower.

“*Program*” means the downtown loan guarantee program established pursuant to Iowa Code section 15.431 and this chapter.

**261—36.2(15) Eligibility.** To be eligible for approval of a loan guarantee, a borrower must demonstrate that all conditions in Iowa Code section 15.431(2) are met.

**261—36.3(15) Application submittal and review process.**

**36.3(1)** To apply for assistance under the program, the borrower and lender shall submit an application to the authority in the manner prescribed by the authority. Applications will be accepted and processed by authority staff on a continuing basis, or the authority may establish application periods as announced on the authority’s website.

**36.3(2)** The application will include, at a minimum, the following: name(s) and address(es) of the borrower and participating lender, amount of loan, amount of loan guarantee requested, and certification of compliance with state law and lending practices.

**36.3(3)** The authority may refuse to accept incomplete or ineligible applications.

**36.3(4)** The authority may refuse to accept applications because of insufficient funds.

**36.3(5)** Authority staff, in conjunction with Iowa finance authority staff, will review applications and make a recommendation as to whether an application should be approved and the guarantee percentage. The director may approve, deny, or defer an application.

**261—36.4(15) Loan guarantee limitations.** Loan guarantees are subject to the limitations in Iowa Code section 15.431(3) through 15.431(10). Extensions are subject to approval by the director.

**261—36.5(15) Annual fee.** The lender shall pay an annual loan guarantee fee not to exceed 2 percent of the loan amount for the duration of the loan guarantee. The fee applicable to each approved loan guarantee will be established by the program agreement executed pursuant to rule 261—36.6(15).

**261—36.6(15) Agreement.** Upon approval of an award, authority staff will prepare an agreement between the authority, the lender, and the borrower. The agreement, at a minimum, shall include the conditions of the award, including the applicable annual fee to be paid by the lender pursuant to rule 261—36.5(15), the guarantee percentage, the responsibilities of each party, and the potential actions in instances of noncompliance.

**261—36.7(15) Reporting.** The borrower and lender shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the authority board, the general assembly, or the governor’s office.

These rules are intended to implement Iowa Code section 15.431.

[Filed 3/25/26, effective 5/20/26]

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.