

**261—406.3(15,476) Loan amounts and terms.**

**406.3(1)** The minimum loan amount is \$50,000 per project.

**406.3(2)** The board shall not lend more than 75 percent of total project costs for any project type. For purposes of determining the amount the board may lend pursuant to this subrule, total project costs include eligible costs pursuant to subrule 406.6(1) as well as feasibility studies, engineering and final design, permitting and regulatory costs, or other costs determined by the board to be necessary to the development of energy infrastructure. The board may determine a higher percentage of funds that must be matched by the borrower that is applicable to specific project types as outlined in the policies and procedures approved pursuant to rule 261—406.2(15,476).

**406.3(3)** The board shall not issue a loan that exceeds the value of the collateral provided.

**406.3(4)** The board will accept security for a loan. The following forms of collateral will be accepted:

- a.* Real property.
- b.* Dedicated certificate of deposit.
- c.* Irrevocable letter of credit.
- d.* Corporate guarantee.
- e.* Utility revenue or reserve funds, if applicable.

*f.* Other forms of collateral if approved by the board, and only if the forms of collateral listed in paragraphs 406.3(4) “*a*” to “*e*” are inadequate.

**406.3(5)** The board may consider the borrower’s credit rating in determining what form of collateral is acceptable.

**406.3(6)** The duration of the loan shall not be more than 15 years. If applicable, the board may consider the projected payback date of the project in determining the duration of the loan.

**406.3(7)** The interest rate shall not exceed the Wall Street Journal prime rate as of the date of approval.

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