

**261—405.3(15) Borrowers.**

**405.3(1)** *Eligible borrowers.* The project shall be wholly owned by an eligible borrower. Eligible borrowers include:

- a.* Persons whose primary residence is in Iowa.
- b.* Businesses registered and domiciled in Iowa. For businesses organized as limited liability companies, each member of the limited liability company must be domiciled in Iowa and be an eligible borrower.
- c.* Water and wastewater utilities subject to Iowa Code chapter 388, rural water districts subject to Iowa Code chapters 357A and 504, and sanitary districts subject to Iowa Code chapter 358.

**405.3(2)** *Ineligible borrowers.* Ineligible borrowers include:

- a.* An organization that is lending to a project and also owns the project or is a member of an organization that owns the project.
- b.* An individual or an organization with a history of defaulted loans or compliance violations with other state programs or rules.
- c.* Regents institutions.
- d.* Community colleges.
- e.* State agencies.
- f.* Cities, but not water or wastewater utilities subject to Iowa Code chapter 388.
- g.* Counties.
- h.* School districts.
- i.* Nonprofit organizations.
- j.* Gas and electric utilities subject to Iowa Code chapter 388 or rural electric cooperatives subject to Iowa Code chapter 476.

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