

**261—406.2(15,476) Loan amounts and terms.**

**406.2(1)** The minimum loan amount is \$50,000 per project.

**406.2(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 406.5(1) as well as other costs determined by the board to be necessary to the development of energy infrastructure.

**406.2(3)** The board shall not issue a loan that exceeds the value of the collateral provided.

**406.2(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 406.2(4) “*a*” through “*e*” are inadequate.

**406.2(5)** The board may consider the borrower’s credit rating in determining what form of collateral is acceptable.

**406.2(6)** The board may consider the projected payback date of the project in determining the duration of the loan, which shall not exceed 15 years.

**406.2(7)** The interest rate shall not exceed the Wall Street Journal prime rate as of the date of approval.

[ARC 0311D, IAB 5/27/26, effective 7/1/26]