

261—69.5(15E,81GA,HF868) Terms and conditions. A loan and credit guarantee provided to a financial institution for a qualified business, microenterprise, or targeted industry business shall not exceed \$1 million. Loan and credit guarantees provided under the program to more than one financial institution for a single qualified business, microenterprise, or targeted industry business shall not exceed \$10 million. A single qualified business, microenterprise, or targeted industry business may have multiple guarantees with multiple financial institutions. The aggregate amount of loan or credit guarantees provided to financial institutions for any single qualified business, microenterprise, or targeted industry business shall not exceed \$10 million.

69.5(1) A loan and credit guarantee provided under the program shall be for eligible project costs. Eligible project costs include expenditures for production equipment and machinery, land and real estate, working capital for operations and export transactions, research and development, marketing, engineering and architectural fees, and such other costs as the department may designate.

69.5(2) The loan and credit guarantee provided under the program shall be negotiated on a case-by-case basis and in no case shall exceed more than 50 percent of the amount to be loaned to the qualified business, microenterprise, or targeted industry business by the financial institution for the project as described in the loan and credit guarantee application.

69.5(3) Interest rate and term of the loan to be secured shall be agreed upon between the financial institution and the borrower, provided that no guarantee exceeds 15 years.

69.5(4) Repayment of a guaranteed loan shall be secured by such collateral as the department deems prudent.

69.5(5) The covenants and requirements of the loan shall be established by the financial institution and department in accordance with prudent lending practices.