

261—80.9 (83GA,SF2389) Recommendation; loan agreement.

80.9(1) *Recommendation.* Upon final review of the application, the administrator shall prepare loan closing documents, including a loan agreement, for those businesses the administrator recommends to participate in the program and deliver them, along with the business's file, to the department for its review and approval. The administrator shall recommend and make part of the proposed loan agreements requirements in addition to standard loan provisions when the business poses a higher risk.

80.9(2) *Loan agreement required.* The administrator shall prepare a loan agreement which includes, but is not limited to, a description of the project to be completed by the business, the term of the loan, conditions to disbursement, a requirement for annual reporting to the department, and the repayment requirements of the business or other penalties imposed on the business in the event the business does not fulfill its obligations described in the loan agreement and other specific repayment provisions ("clawback provisions") to be established on a project-by-project basis.

80.9(3) *Award.* The director shall have the authority to award loans made under this program and to execute loan documents and other related documents.

80.9(4) *Acceptance.* A business recommended for a loan under this program shall have 20 days from receipt of the notice of intended award issued by the department to execute the necessary loan documents and return them to the department; otherwise, the department may rescind the loan award. The 20-day time limit may be extended by the director.

80.9(5) *Security.* The department shall take security for any loan. The form of such security may include but not be limited to one or more of the following:

- a.* Real estate mortgage.
- b.* Lien on personal or real property.
- c.* Letter of credit.
- d.* Corporate or personal guaranty.
- e.* A certificate of deposit.