

**261—7.31(260F) Options and procedures on default.**

**7.31(1)** The community college shall notify the authority whenever the community college determines that an event of default has occurred or is likely to occur.

**7.31(2)** The community college shall document its efforts to reconcile the condition(s) responsible for the default and shall provide the authority with copies of all related correspondence and documents of the community college and the business or apprenticeship sponsor.

**7.31(3)** The community college shall notify the authority when it has determined that an event of default cannot be cured.

**7.31(4)** When notice of failure to cure the default is received from the community college, the authority shall communicate with the business or apprenticeship sponsor, in writing, in an attempt to resolve the default.

**7.31(5)** When the authority's efforts to reconcile are successful, the authority shall notify the community college, in writing, to continue project operations. Continuation of project operations may be subject to new conditions imposed by the authority as part of the reconciliation.

**7.31(6)** When the authority's efforts to reconcile are unsuccessful and upon the authority's request, the community college shall assign the agreement to the authority for appropriate proceedings at which time the authority shall institute collection procedures or notify the attorney general to initiate appropriate legal actions.

**7.31(7)** When a community college assigns an agreement to the authority for a project declared to be in default, the community college shall return all remaining 260F funds to the authority within 45 days of assignment.

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