

265—46.3(16) Program administration.

46.3(1) *Cooperating agencies.* The fund shall be administered by the authority in cooperation with the department of natural resources and the department of agriculture and land stewardship.

46.3(2) *Interest rates and terms.* Interest rates and repayment terms shall be determined by the authority in cooperation with the department of natural resources and the department of agriculture and land stewardship. The interest rate shall be specified in the application. Loan and grant terms shall be negotiated with each loan recipient and grant recipient, as the case may be, but no loan shall have a term more than 20 years. Loans may be prepaid at any time with no penalty.

46.3(3) *Parts of project eligible for funding.* Only the part of the project that has a water quality protection or improvement component may be funded.

46.3(4) *Funding guidelines.* The fund shall be administered in such a manner as to provide a permanent source of water quality project financial assistance to eligible entities. Financial assistance shall be provided in the form deemed by the authority to be most convenient for the efficient financing of projects, including loans, forgivable loans, or grants.

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