

7380.0725 APPLICATIONS.

Subpart 1. **Evaluation of loan applications.** The executive director and staff shall evaluate loan applications for projects certified by the department. Loan applications must provide sufficient information to allow the authority to make an informed determination about whether:

- A. the financing of the project is fully ensured;
- B. the applicant has the financial capability to repay the loan;
- C. collateral is being provided by the applicant to secure the loan to the extent required in part 7380.0735, subpart 3; and
- D. the applicant has the capability to comply with Minnesota Statutes, section 446A.085, parts 7380.0705 to 7380.0775, the loan agreement, and the permissible legal covenants of the general obligation bond or revenue bond that will be issued by the applicant to the authority.

Subp. 2. **Approval or rejection of loan applications.** The transportation committee shall approve a loan application unless it is rejected for one or more of the following reasons:

- A. failure of the applicant to ensure full project financing;
- B. failure of the applicant to demonstrate financial capability to repay the loan;
- C. failure of the applicant to collateralize the loan to the extent required in part 7380.0735, subpart 3;
- D. failure to develop a dedicated source of revenue sufficient to ensure timely repayment of the loan; or
- E. failure of the applicant to demonstrate its capacity to comply with Minnesota Statutes, section 446A.085, parts 7380.0705 to 7380.0775, the loan agreement, and the permissible legal covenants of the general obligation bond or revenue bond issued by the applicant to the authority.

Subp. 3. **Loan agreement.** When the applicant is ready to proceed with a project for which a loan application has been approved by the transportation committee, the executive director shall prepare a loan agreement.

Statutory Authority: *MS s 446A.085*

History: *23 SR 1353*

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