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1 Small Business Finance Agency

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3 Adopted Amendment Regarding the Making of Business Loans

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5 Rule as Adopted

6 4 MCAR S 14.021 Application procedures.

7 A. Submission of application. The owner shall submit to the  
8 agency copies of the completed application upon the forms  
9 provided by the agency.

10 B. Deficiencies in application. Application shall be deemed  
11 to have been made upon receipt by the agency of a completed  
12 application with all required documentation and exhibits,  
13 together with the required fee specified in the application  
14 forms. In the event that an incomplete application is received,  
15 the executive director shall notify the applicant specifying the  
16 deficiencies. The applicant shall have 60 days from the date of  
17 the executive director's notification to complete such  
18 application. If the application is not completed within 60  
19 days, the application shall be deemed to be rejected and the  
20 applicant must reapply to be further considered. In the event  
21 the executive director is able to determine from the information  
22 submitted on an incomplete application that the applicant is not  
23 an owner or the proceeds of the requested business loan are  
24 intended to finance expenditures not permitted under the act,  
25 the executive director shall so notify the applicant.

26 C. Review by executive director. Upon receiving a completed  
27 application, the executive director shall review the application  
28 and shall make a determination as to whether the applicant is an  
29 owner as defined in the act or the proceeds of the requested  
30 business loan are intended to finance expenditures permitted  
31 under the act.

32 D. Capital expenditures eligible for funding. Costs  
33 eligible for funding are the capital expenditures set forth in  
34 the act, including the following:

- 35 1. land and/or building acquisition costs,
- 36 2. site preparation,

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- 1           3. construction costs,
- 2           4. engineering costs,
- 3           5. equipment and/or machinery,
- 4           6. bond issuance costs,
- 5           7. underwriting or placement fees,
- 6           8. initial trustee's fee,
- 7           9. initial fee of guarantor or insurer, if applicable,
- 8           10. Small Business Administration processing and
- 9           administration fee, if applicable,
- 10          11. Minnesota Small Business Finance Agency fee,
- 11          12. certain contingency costs,
- 12          13. interest costs during construction, and
- 13          14. legal fees, including those of agency's bond counsel.

14          E. Notification of determination. After approving or  
 15          disapproving an application, the executive director shall notify  
 16          the applicant of the determination and the treatment of the  
 17          application as follows:

18           1. If the executive director determines that the  
 19          applicant is an owner as defined in the act and that the costs  
 20          specified in the application are eligible for funding, the  
 21          application shall then be deemed accepted for processing and  
 22          treated in accordance with the agency review provisions  
 23          established in 4 MCAR S 14.023.

24           2. If the executive director determines that the  
 25          applicant is not an owner as defined in the act, the application  
 26          shall be rejected and not further considered.

27           3. If the executive director determines that any of the  
 28          costs described in the application are not eligible for funding,  
 29          the executive director shall note the deficiencies in the  
 30          application and shall so notify the owner. The owner shall have  
 31          30 days from the date of the executive director's notification  
 32          to amend the application. In the event the application is  
 33          amended in a timely fashion to include only eligible costs, it  
 34          shall be treated in accordance with the agency review provisions  
 35          established in 4 MCAR S ~~14.021~~ F 14.023. If the application is  
 36          not properly amended within 30 days, the application shall be

1 deemed rejected and not further considered.

2 F. Rejection. In the event that an application is rejected  
3 for processing pursuant to 4 MCAR S 14.021 E.2. or 3., the  
4 applicant may, within 30 days after date of the notification by  
5 the executive director, request the executive director to submit  
6 the determination to the agency for review at the next regularly  
7 scheduled meeting of the agency for which the agenda has not  
8 been established. If the agency approves the application, the  
9 application shall be treated in accordance with 4 MCAR S 14.023.