

1 Department of Agriculture

2

3 Adopted Permanent Rules Relating to Rural Finance Agency
4 Programs

5

6 Rules as Adopted

7 AGRICULTURAL DEVELOPMENT BOND BEGINNING FARMER LOAN PROGRAM

8 1650.0501 APPLICABILITY AND PURPOSE.

9 Subpart 1. **Applicability.** Parts 1650.0501 to 1650.0571
10 establish the criteria and procedures to be used by the RFA in
11 administering the agricultural development bond beginning farmer
12 loan program authorized by Minnesota Statutes, chapter 41C.

13 Subp. 2. **Purpose.** The purpose of the agricultural
14 development bond or "aggie bond" beginning farmer loan program
15 is to facilitate the acquisition of agricultural land and
16 improvements and depreciable agricultural property by beginning
17 farmers. This is accomplished through the issuance of tax
18 exempt bonds, which provides eligible farmers with borrowed
19 capital at below market interest rates.

20 1650.0511 DEFINITIONS.

21 Subpart 1. **Scope.** The definitions in this part apply to
22 parts 1650.0501 to 1650.0571.

23 Subp. 2. **Act.** "Act" means the Minnesota Agricultural
24 Development Act in Minnesota Statutes, chapter 41C.

25 Subp. 3. **Agricultural farmland.** "Agricultural farmland"
26 means productive, tillable land or land used for pasture.

27 Subp. 4. **Applicant.** "Applicant" means an individual or
28 partnership who submits a completed application for a loan under
29 the program to the authority through an eligible lender.

30 Subp. 5. **Application.** "Application" means an application
31 for a loan under the program in the form prescribed by the
32 authority.

33 Subp. 6. **Authority or RFA.** "Authority" or "RFA" means the
34 Minnesota Rural Finance Authority established by Minnesota
35 Statutes, section 41B.025, acting through its board or its duly

1 authorized officers.

2 Subp. 7. **Bond.** "Bond" means a special, limited obligation
3 revenue bond issued by the authority to an eligible lender to
4 finance a loan to an eligible borrower for an eligible purpose
5 pursuant to a loan agreement between the eligible lender and the
6 authority.

7 Subp. 8. **Borrower.** "Borrower" means an eligible borrower
8 who has received a loan under the program.

9 Subp. 9. **Code.** "Code" means the Internal Revenue Code of
10 1986, as amended, and all rules, regulations, and revenue
11 procedures issued under it.

12 Subp. 10. **Depreciable agricultural property.** "Depreciable
13 agricultural property" has the meaning given in Minnesota
14 Statutes, section 41C.02, subdivision 9.

15 Subp. 11. **Eligible borrower.** "Eligible borrower" means a
16 Minnesota resident or a Minnesota partnership consisting only of
17 individuals who are Minnesota residents, who:

18 A. has a low or moderate net worth as established by
19 Minnesota Statutes, section 41C.02, subdivision 12;

20 B. will engage in farming as a principal occupation;

21 C. has sufficient education, training, or experience
22 in the type of farming for which the loan is desired;

23 D. will agree to participate in a farm business
24 management program approved by the commissioner of agriculture
25 in accordance with Minnesota Statutes, section 41C.05,
26 subdivision 2, clause (6), for the first five years of the loan
27 if an approved program is available within 45 miles of the
28 residence of the borrower or one of the borrower's partners;

29 E. ~~will agree to file a~~ visit the soil and water
30 conservation plan approved by district office or the county soil
31 natural resources conservation service in the county where the
32 land is located to inquire about the soil and water conservation
33 needs for the identified farm property; and

34 F. is a first time farmer, as defined in subpart 16,
35 who will be the principal user of the property financed under
36 the code, and will materially and substantially participate in

1 the operation of the farm of which the property is a part or on
2 which the property will be used.

3 Subp. 12. **Eligible lender.** "Eligible lender" means a
4 bank, credit union, savings association, insurance company, or
5 other legal entity that is authorized to do business in
6 Minnesota, an individual, or a group of individuals.

7 Subp. 13. **Eligible purpose.** "Eligible purpose" means:

8 A. the purchase of Minnesota land and improvements on
9 the land, other than a residence, by an eligible borrower for
10 farming purposes;

11 B. the construction of new improvements, or of
12 additions to or renovations of existing improvements, other than
13 a residence, for farming purposes; or

14 C. the purchase of depreciable agricultural property
15 by an eligible borrower for farming purposes.

16 Subp. 14. **Executive director.** "Executive director" means
17 the authority's executive director or any other person
18 authorized to act on behalf of the authority's board or its
19 executive director.

20 Subp. 15. **Farming.** "Farming" has the meaning given in
21 Minnesota Statutes, section 41C.02, subdivision 10.

22 Subp. 16. **First time farmer.** "First time farmer" means an
23 individual who, together with the individual's spouse and minor
24 children:

25 A. has not at any time had any direct or indirect
26 ownership interest in agricultural farmland that is 15 percent
27 or more of the median size farm in the county where located or
28 that had a market value at any time in excess of \$125,000 unless
29 the farm was disposed of while the individual was insolvent and
30 code section 108 applied to indebtedness with respect to the
31 farm; and

32 B. has not received other similar tax-exempt
33 financing in any state in an amount that, together with the
34 current loan, exceeds \$250,000.

35 Subp. 17. **Improvements.** "Improvements" to farm land means
36 items that, when complete, become part of the farm land or

1 fixtures, including but not limited to confinement systems,
2 barns and other out buildings, silos and other crop storage
3 facilities, and improvements to land such as tiling, terraces,
4 ponds, erosion control structures, and waterways.

5 Subp. 18. Lender. "Lender" means an eligible lender who
6 has purchased a bond under the program.

7 Subp. 19. Loan. "Loan" means the loan of the proceeds of
8 a bond to an eligible borrower for an eligible purpose pursuant
9 to a loan agreement between the authority and the eligible
10 borrower.

11 Subp. 20. Net worth. "Net worth" means the total value of
12 an applicant's assets and the assets of the applicant's spouse
13 and dependents, less the liabilities of those parties. For
14 purposes of calculating net worth, "assets" means property, real
15 or personal, tangible or intangible, and all contract rights of
16 value that constitute assets, including cash crops or feed on
17 hand, livestock held for sale, breeding stock, marketable bonds
18 and securities, securities not readily marketable, accounts
19 receivable, notes receivable, cash invested in growing crops,
20 cash value of life insurance, machinery and equipment, cars and
21 trucks, farm and other real estate including life estates and
22 personal residence, and the value of a beneficial interest in
23 any trust. For purposes of calculating net worth, "liabilities"
24 means the debts or other obligations for which an applicant is
25 responsible including accounts payable, notes or other
26 indebtedness owed to any source, taxes and rent due or past due,
27 amounts owed on real estate contracts or mortgages, judgments,
28 and accrued interest payable.

29 Subp. 21. Principal user. "Principal user" means a person
30 who is a principal owner, a principal lessee, a principal output
31 purchaser, or an "other" principal user as defined in the code.

32 Subp. 22. Program. "Program" means the agricultural
33 development bond beginning farmer loan program established by
34 the authority.

35 1650.0521 BORROWER ELIGIBILITY.

1 Subpart 1. Eligibility. To be eligible for a loan under
2 the program an applicant must be an eligible borrower.

3 Subp. 2. Certification. An applicant must certify to the
4 authority in each loan application that the applicant
5 understands and meets the definition of eligible borrower for
6 the program.

7 Subp. 3. Net worth. A financial statement showing an
8 applicant's net worth must be submitted with the application and
9 may not include the value of the property or improvements to be
10 acquired with the proceeds of the loan or the liability of the
11 loan. At the loan closing the eligible lender must recertify
12 that the applicant's net worth does not exceed program limits.

13 1650.0531 OPERATION OF PROGRAM.

14 Subpart 1. Loan transactions and security.

15 A. The authority shall make unsecured loans to
16 eligible borrowers for eligible purposes under a loan agreement
17 between the authority as lender and the eligible borrower as
18 borrower. The loans must be evidenced by promissory notes
19 payable to the authority or its assigns.

20 B. A loan may not be made that violates any of the
21 restrictions in subitems (1) to (6).

22 (1) A loan may not exceed \$250,000 and may not
23 finance more than \$62,500 of used depreciable agricultural
24 property.

25 (2) Ninety-five percent of the loan proceeds in
26 excess of loan transaction costs must be expended for an
27 eligible purpose, and not more than two percent of the loan
28 proceeds may be used to pay loan transaction costs.

29 (3) The maturity of a loan or portion of a loan
30 made to finance improvements or depreciable agricultural
31 property may not exceed 120 percent of the useful life of the
32 improvements or depreciable agricultural property under the code.

33 (4) Not more than five percent of the loan
34 proceeds in excess of loan transaction costs may be used to
35 refinance existing indebtedness, or to finance the purchase or

1 improvement of a residence or working capital or inventory such
2 as seed, fertilizer, or feeder livestock. Use of loan proceeds
3 for reimbursement of costs incurred prior to the adoption by the
4 authority of a preliminary resolution approving a loan and the
5 issuance of a bond to fund it as described in part 1650.0551 or
6 money borrowed to pay such costs constitutes use of loan
7 proceeds for working capital or refinancing.

8 (5) All loan proceeds must be expended within six
9 months of the loan closing.

10 (6) Loan proceeds may not be used to finance the
11 purchase of land, improvements, or depreciable agricultural
12 property from a related person. For the purpose of this
13 subitem, "related person" means a spouse, lineal descendant, or
14 sibling, or a partnership or corporation owned, directly or
15 indirectly, more than 50 percent by the borrower and one or more
16 of the borrower's spouse, lineal descendant, or sibling.

17 C. The authority shall issue a bond to provide money
18 to fund each loan. The authority has no other money available
19 for this purpose. The bond must be issued to the eligible
20 lender who has agreed with the eligible borrower to finance the
21 eligible borrower's loan by jointly submitting a loan
22 application according to part 1650.0541. The bond must be
23 issued in fully registered form under a loan agreement between
24 the lender and the authority.

25 D. The bond must be a special, limited obligation of
26 the authority payable solely from loan payments payable by the
27 eligible borrower under the borrower's loan agreement and the
28 promissory note evidencing the loan, that must be assigned to
29 the lender and pledged to the payment of the principal of and
30 interest on the bond, without recourse to the authority. The
31 bond must not be a general obligation of the authority, the
32 state of Minnesota, or any department, agency, or political
33 subdivision of the state. The full faith and credit of the
34 authority or the state or any department, agency, or political
35 subdivision of the state must not be pledged for the bond's
36 payment.

1 E. A bond may be additionally secured by a mortgage
2 on or security interest in the property financed or other
3 property provided by the borrower, or by personal guaranties
4 made by the borrower or another individual. All agreements and
5 documents providing or evidencing additional security must be
6 entered into between the borrower or another individual and the
7 lender. The authority may not be a party to the agreement or
8 document and is not responsible in any way with respect to the
9 authorization, execution, effectiveness, or adequacy of the
10 additional security.

11 Subp. 2. **Loan evaluation.** The lender must determine and
12 evaluate the eligible borrower's financial condition, net worth,
13 and ability to repay the loan of the bond proceeds to be made by
14 the authority, and the lender is solely responsible for that
15 determination. The authority shall not make any independent
16 evaluation of any of these matters, but shall rely upon
17 certifications provided to it by the applicant and the lender as
18 part of an application.

19 Subp. 3. **Loan terms.** The payment terms of each loan and
20 the bond that will be issued to fund the loan must be identical
21 and, subject to the applicable provisions of state and federal
22 law or the code, must be established by the eligible borrower
23 and the lender.

24 Subp. 4. **Loan documents.** Except as provided in subpart 1
25 with respect to certain loan security agreements, all loan and
26 bond transactions must be evidenced by use of the authority's
27 standard loan documents. The documentation must include loan
28 agreements, a promissory note, a bond, various closing
29 certificates, legal opinions, and other documents as bond
30 counsel requires.

31 Subp. 5. **Tax exemption.**

32 A. The authority must try to issue each bond as a
33 "qualified small issue bond" within the meaning of section
34 144(a) of the code. Interest payable on a qualified small issue
35 bond is not includable in gross income of the recipient for
36 federal income tax purposes, or in net income of individuals,

1 estates, or trusts for Minnesota income tax purposes. At the
2 loan closing, the authority shall furnish to the lender an
3 opinion of an attorney or firm of attorneys nationally
4 recognized as bond counsel as to the validity of the bond and
5 the tax exempt nature of the interest payable on the bond,
6 addressed to the lender. The form of that opinion is available
7 upon request to the authority by any eligible lender joining in
8 a loan application.

9 B. The lender may not rely upon information provided
10 by the authority as to state and federal tax matters, but may
11 rely only upon representations, warranties, or covenants made by
12 the authority in the loan documents and the legal opinion.

13 C. The lender is responsible to determine the
14 applicability and effect of other state and federal laws on the
15 lender's income, deductions, or tax status for state and federal
16 tax purposes as a result of the purchase of a bond.

17 **Subp. 6. Use of bond proceeds; certification.** Bond
18 proceeds may not be used for a purpose other than an eligible
19 purpose or by a person other than an eligible borrower. If
20 funds are not fully disbursed at the time of closing, the lender
21 and borrower must certify to the authority that the proceeds
22 were used for an eligible purpose by an eligible borrower, and
23 were fully expended within six months after the loan closing
24 date.

25 **Subp. 7. Assignment of bond.** A lender may assign a bond
26 in whole or in part to any person, but the lender is responsible
27 for compliance with all state and federal laws applicable to the
28 assignment. Servicing of the loan may also be assigned. The
29 authority must be notified in writing prior to assignment of
30 servicing of a loan.

31 **Subp. 8. Assumption of loans; substitution of collateral**
32 **and transfer of property.** Loans may not be assumed without the
33 prior approval of the authority, and then only if the purchaser
34 of the property is an eligible borrower. Depreciable
35 agricultural property may be exchanged or traded for similar
36 property, and other property such as breeding livestock may be

1 added or substituted as collateral at the discretion of the
2 lender without the prior approval of the authority. The
3 benefits of the loan made at the tax exempt rate from the
4 proceeds of an authority bond must remain with the eligible
5 lender, and no person to whom property is traded or otherwise
6 transferred may obtain the benefits of the authority loan.

7 1650.0541 APPLICATION PROCEDURES.

8 Subpart 1. **Application.**

9 A. An applicant and an eligible lender who wish to
10 request the authority to make a loan to the applicant and issue
11 a bond to the lender to fund the loan must jointly complete,
12 sign, and submit an application to the authority. All
13 supporting documents must be submitted with the application.

14 B. The eligible lender shall present the documents in
15 item A to the authority by the close of the business day on the
16 Friday prior to the first Wednesday of each month. Presentation
17 of the documents constitutes an offer to purchase a bond to fund
18 the loan.

19 C. Lenders shall use their own forms of financial
20 statement and other forms considered necessary to document the
21 eligibility of the applicant. Financial statements must be
22 dated as of a date not more than 120 days before the date on
23 which the application is submitted to the authority.

24 Subp. 2. **Application fee.** The applicant shall provide to
25 the eligible lender for submission to the authority with the
26 application a check payable to the Minnesota Department of
27 Agriculture in an amount established by the authority under
28 Minnesota Statutes, section 41C.12, as an application fee. The
29 fee is not refundable.

30 Subp. 3. **Volume cap allocation charge.** The applicant must
31 also provide to the eligible lender for submission to the
32 authority with the application, a check payable to the Minnesota
33 Department of Agriculture in the amount determined under
34 Minnesota Statutes, section 474A.03, as a volume cap allocation
35 fee. If the application is approved and the authority makes

1 application for a volume cap allocation as described in part
2 1650.0551, subpart 2, the fee must be delivered to the
3 commissioner of finance in payment of the application charge
4 imposed by Minnesota Statutes, chapter 474A. If the application
5 is rejected, the volume cap allocation fee must be returned to
6 the applicant.

7 Subp. 4. Use of allocation. The allocation purchased from
8 the finance department must be used within 90 days. If the
9 allocation expires due to no fault of the authority, the
10 authority may require payment of additional fees to secure a new
11 allocation.

12 Subp. 5. Insufficient funds. If there are insufficient
13 funds to allocate to all applications received, priority must be
14 given in the order of the application number. If the allocation
15 requested exceeds the allocation fund balance, the next
16 application must then be allowed to request the allocation.
17 This procedure must be used until the balance of the allocation
18 fund is depleted. Eligible lenders are responsible to verify
19 that an allocation has been secured before closing on their bond.

20 Subp. 6. Authority review. The executive director, or a
21 designee, shall review the information provided and accept or
22 reject the application. If the information provided is not
23 sufficient to make a determination, the executive director, or a
24 designee, shall request additional information from the eligible
25 lender and applicant. The review must include, but is not
26 limited to, whether the loan complies with the act and parts
27 1650.0501 to 1650.0571. The authority shall notify the
28 applicant and eligible lender whether the application has been
29 approved or rejected. If the application is not approved, a
30 written notice must state the reasons for disapproval.

31 Subp. 7. Administrative reconsideration. If a proposed
32 application is not approved, the applicant or the eligible
33 lender may petition the executive director for an administrative
34 reconsideration. The petition must be in writing and must be
35 sent within 15 business days of the date of the disapproval.
36 The petition must state the petitioner's reasons for disagreeing

1 with the disapproval and may include additional information
2 relevant to the request for reconsideration. Within 15 business
3 days of receiving the petition, the executive director shall
4 send a written response to the petitioner upholding or reversing
5 the original decision and giving the reasons for the decision.

6 Subp. 8. **Appeal.** A petitioner may appeal the executive
7 director's reconsideration directly to the authority's board, by
8 written notice to the executive director within 15 business days
9 of receiving the executive director's reconsideration decision.
10 The decision of the board is final.

11 Subp. 9. **Application expiration.** An application that
12 remains inactive for 120 days from the date of the preliminary
13 resolution is considered canceled and the application fee is
14 forfeited.

15 1650.0551 HEARING AND OTHER PROCEDURAL REQUIREMENTS.

16 Subpart 1. **Hearing and approval requirement.** Under
17 section 147(f) of the code, in order to make the interest
18 payable on a bond excludable from gross income for federal tax
19 purposes, prior to the issuance of the bond the authority or its
20 designated representative must hold a public hearing on the
21 issuance of the bond, and the issuance of the bond must be
22 approved by an "applicable elected representative" of the state,
23 which means, in this case, the governor or another elected
24 official of the state designated by the governor. Notice of the
25 hearing must be published at least 14 days before the hearing in
26 a newspaper of general circulation in the state and where the
27 property being financed is or is to be located. The notice must
28 set forth the date, time, place, and purpose of the hearing; the
29 authority's intention to issue the bond; the maximum principal
30 amount of the bond to be issued; the source of payment of the
31 bond; the purpose for which the proceeds of the bond will be
32 loaned to the borrower; the name of the borrower; and the
33 location of the property being acquired with the proceeds of the
34 loan or where it will be used.

35 Subp. 2. **Volume cap allocation requirement.** Under section

1 146 of the code, in order to make the interest payable on a bond
2 excludable from gross income for federal tax purposes, the
3 authority must obtain a volume cap allocation in an amount equal
4 to the amount of the bond, pursuant to the state volume cap
5 allocation law, Minnesota Statutes, chapter 474A. In order to
6 obtain a volume cap allocation, the authority must submit an
7 application for it to the state Department of Finance together
8 with a preliminary resolution of the authority approving the
9 loan and the issuance of a bond to fund it, a statement of bond
10 counsel that the proposed bond requires an allocation under
11 Minnesota Statutes, chapter 474A, and a statement that the bond
12 is a "qualified small issue bond" within the meaning of section
13 144 of the code. The authority has no control over whether a
14 volume cap allocation will be received with respect to any
15 volume cap application submitted by it.

16 Subp. 3. **Executive director authority.** If upon review of
17 a loan application and all supporting documents and other
18 information requested by the authority in connection with the
19 application the executive director determines that the
20 application is in compliance with the program and parts
21 1650.0501 to 1650.0571, the executive director will:

22 A. cause a preliminary resolution approving the loan
23 and the issuance of the bond requested by the application to be
24 placed upon the agenda of the next meeting of the authority for
25 consideration by it;

26 B. establish a date, time, and place of the public
27 hearing required in subpart 1 and cause notice of the hearing to
28 be published, which date must be at least three business days
29 after the meeting of the authority at which the preliminary
30 resolution approving the loan and bond described in the notice
31 will be considered by the authority;

32 C. conduct, or designate other members of the
33 authority's staff to conduct, the public hearing; and

34 D. following adoption of the preliminary resolution
35 by the authority, make application for a volume cap allocation
36 as described in subpart 2.

1 Subp. 4. **Preliminary resolution.** The authority shall
2 consider the adoption of the preliminary resolution described in
3 subpart 3 at its first meeting following approval of an
4 application by the executive director.

5 Subp. 5. **Public hearing.** A public hearing must be held at
6 the offices of the authority during regular business hours on
7 regular business days. A person appearing in person at the
8 hearing will be allowed ten minutes to present views. A protest
9 may also be made in writing by mailing or faxing it to the
10 authority. The authority is not responsible for delays in
11 delivery of written protests. The person conducting the hearing
12 shall make a written record of the hearing and all information
13 or views presented at the hearing. The record must be
14 maintained as part of the public records of the authority.

15 Subp. 6. **Public approval.** Following the public hearing,
16 if no information is presented indicating that the loan to be
17 made and the bond to be issued are not in accordance with the
18 program and parts 1650.0501 to 1650.0571, the executive director
19 shall cause to be prepared and sent to the governor's office, or
20 the office of the elected official of the state designated by
21 the governor, a statement describing each bond or series of
22 bonds it proposes to issue, along with a summary of the public
23 comments received at the hearings. Any information received at
24 the hearing must be presented to the authority at its next
25 meeting, at which the authority shall confirm or take further
26 action on the application in question that may be indicated.

27 1650.0561 LOAN DOCUMENTS; CLOSING PROCEDURES.

28 Subpart 1. **Loan documents.** The executive director shall
29 provide standard forms of all loan documents and closing
30 documents necessary to evidence a bond and related loan
31 transaction to all applicants and prospective lenders. All bond
32 and loan transactions must be done on standard forms, with only
33 insertions and changes necessary to accurately reflect the
34 transaction in question or to assure compliance with section 144
35 of the code.

1 Subp. 2. **Lender's responsibility.** The lender must use its
2 own form of additional security documents (mortgage, security
3 agreement, or guarantee) it believes are necessary and
4 appropriate under the particular loan circumstances. These
5 items must be referenced in the bond documents. Any additional
6 requirements not specifically provided for in the bond
7 documents, such as insurance coverage and amounts, must also be
8 added. It is the lender's responsibility to ensure that any
9 security agreements, mortgages, guarantees, or other security
10 documents that the lender requires in a transaction, have been
11 completed and signed, and that any financing statements have
12 been filed, mortgages recorded, or any other necessary steps
13 taken to protect the lender's interests. The authority makes no
14 warranties or representations with respect to the effectiveness,
15 validity, or priority of any liens or security interests, that a
16 lender has, or believes it may have, with respect to a
17 particular loan or bond.

18 Subp. 3. **Authority's responsibility.** The authority shall
19 by resolution authorize all documents to be executed by it and
20 is responsible for the preparation, execution, and delivery by
21 the borrower and the authority of the authority's loan documents
22 and closing documents; compliance with the procedures in part
23 1650.0551; the issuance of necessary legal opinions by the
24 authority's bond counsel; the filing with the Internal Revenue
25 Service of all reports and forms required to be filed in
26 connection with the issuance of a bond; and the furnishing of
27 fully executed copies of those items to the borrower and the
28 lender.

29 Subp. 4. **Origination fee and closing costs.** At the loan
30 closing, the applicant shall deliver to the authority a check
31 payable to the Minnesota Department of Agriculture in an amount
32 sufficient to pay the origination fee as established in
33 Minnesota Statutes, section 41C.12. Under no circumstances
34 shall this fee be less than \$200. The authority shall estimate
35 and the borrower shall pay these costs at closing. Loan
36 proceeds may be used to pay closing costs subject to the

1 limitation established by the code, which is described in part
2 1650.0531, subpart 1, item B, subitem (2).

3 1650.0571 GENERAL MATTERS.

4 Subpart 1. **Forms.** The executive director shall provide
5 forms necessary for administration and implementation of the
6 program. The number and type of forms must be sufficient to
7 safeguard the interests of the authority.

8 Subp. 2. **Waivers.** The authority or the executive director
9 may waive or vary particular provisions of parts 1650.0501 to
10 1650.0571 to conform to requirements of the code necessary to
11 make the interest on any bond excludable from gross income of
12 the recipient for federal tax purposes. No waiver may conflict
13 with Minnesota Statutes, chapter 41C.

14 Subp. 3. **Right to audit.** The authority may audit at any
15 time the records of the lender and the borrower relating to a
16 loan and bond to ensure that bond proceeds were used for an
17 eligible purpose by an eligible borrower.

18 Subp. 4. **Data privacy.** Financial information, including
19 credit reports, financial statements, and net worth calculations
20 received by the authority regarding any loan and the name of
21 each eligible borrower who is the recipient of a loan are
22 private data under Minnesota Statutes, chapter 13, and may be
23 disclosed only in accordance with Minnesota Statutes, chapter
24 13. The name of an eligible borrower, the proposed amount of
25 any loan, the purpose of the loan, and the location of the
26 property to be acquired with the loan proceeds or the location
27 where it is to be used must be disclosed as provided in part
28 1650.0551 and as required by the code in order to make the
29 interest payable on the bond issued to fund the loan excludable
30 from gross income for federal tax purposes.

31 REPEALER. Minnesota Rules, parts 1650.0500; 1650.0510;
32 1650.0520; 1650.0530; 1650.0540; 1650.0550; 1650.0560; and
33 1650.0570, are repealed.