

116J.8763 ELIGIBLE LOANS.

Subdivision 1. **Loan types.** Eligible loans may include:

- (1) loans made for industrial, commercial, or agricultural purposes;
- (2) refinancing of loans made for the purposes in clause (1); and
- (3) lines of credit agreements established between the lender and borrower which are used for the purposes in clause (1).

Subd. 2. **Loan restrictions.** Eligible loans must meet the following criteria:

- (1) the lender has not made the loan in order to enroll in the program prior debt which is not covered under the program and which is or was owed by the borrower to the lender;
- (2) the proceeds of the loan will not be used for that portion of a project or development devoted to housing;
- (3) the proceeds of the loan will not be used to finance passive real estate ownership; and
- (4) the proceeds of the loan will be used to finance a project or enterprise located within this state which will foster economic development in Minnesota.

Subd. 3. **Loan provisions.** An eligible loan may provide for an interest rate, fees, and other terms and conditions as the lender and borrower may agree. If the loan amount to be borrowed is determined by a commitment agreement that establishes a line of credit, the amount of the loan is the maximum amount available to the borrower under the agreement.

History: 1989 c 335 art 1 s 149