

116L.06 HIRE EDUCATION LOAN PROGRAM.

Subdivision 1. **Fund uses.** The Job Skills Partnership Board may make loans to Minnesota employers to train persons for jobs in Minnesota. The loans must be used to train current and prospective employees of an employer for specific jobs with the employer.

Subd. 2. **Loan process.** The board shall establish a schedule and competitive process for accepting loan applications. The board shall evaluate loan applications.

Subd. 3. **Loan priority.** The board shall give priority to loans that provide training for jobs that are permanent, provide health coverage and other fringe benefits, and have a career or job path with prospects for wage increases.

Subd. 4. **Loan terms.** Loans may be secured or unsecured, shall be for a term of no more than five years, and shall bear no interest. The maximum amount of a loan is \$250,000. A loan origination fee of up to two percent of the principal of the loan may be charged. An employer may have only one outstanding loan. The loans shall contain such other standard commercial loan terms as the board deems appropriate.

Subd. 5. **Loan uses.** Loans must be used by an employer to obtain the most effective training available from public or private training institutions. An employer must document to the board the process the employer has utilized to ensure that the proposed loan is used to acquire the most cost-effective training and provide a training plan.

Subd. 6. **Packaging loans.** The board may package a grant it makes under section 116L.04 with a loan under this section.

Subd. 7. **Loan repayments.** Loan repayments and loan origination fees shall be retained by the board for board programs.

History: 1997 c 200 art 1 s 60; 1999 c 223 art 2 s 31; 2001 c 181 s 3