**Section 640.140 Loan Terms**

a) Financing shall be made available to the borrower in periodic allotments as determined by the fund balance position of appropriated funds available to the Department for this program in comparison to the cash needs of all recipients.

b) Financing awarded by the Department is subject to the following conditions:

1) *The repayment period shall not exceed 10 years* (Section 7(b) of the Act);

2) *Financial assistance for any one project shall not exceed* $200,000 (Section 7(c) of the Act).

c) Loans for real estate will be amortized over a period of up to 10 years; loans primarily utilized for machinery and equipment will generally vary from 7 to 10 years. Loans primarily intended for short term working capital needs will normally extend for 3 to 5 years.

d) Working capital loans may require personal guarantees from all individuals owning or controlling 20 percent or more of the applicant company. For small companies without major identifiable principals (e.g., no one owns 20 percent or more of the company), the amount of the loan is limited to 80 percent of the value of the fixed asset securing the loan. The Department shall be authorized to require personal guarantees for asset-based loans not secured by a lien on the fixed asset. The Department shall require personal guarantees in any loan transaction in which the loan to asset collateral ratio is less than one to one.

e) Monthly installments shall be due and payable to the Department at a time specified in the loan agreement.