**Section 900.140 Collateralization**

All on-loans supported by guaranteed participating loans must be collateralized as follows:

a) The financial intermediary must have obtained a security agreement from the eligible exporter granting a first security interest in the collateral specified in the commitment, and assigned such interest to the Authority or its designee as set forth in Section 900.115(k) of this Part. Such collateral may be the export receivable or other security acceptable to the Authority. If the collateral consists of the export receivable, then the gross invoice amount of such collateral must equal at all times at least 111.1111% of the outstanding amount of the on-loan; and if, the collateral consists of security other than the export receivable, the value thereof, measured at the lesser of cost or market, must be equal at all times at least 111.1111% of the outstanding amount of the on-loan; and

b) The eligible exporter must have assigned to the Authority and the financial intermediary, as their interests may appear, 100% of its right, title and interest in and to the proceeds of each and every policy or policies of insurance required by this Part.

(Source: Amended at 11 Ill. Reg. 3100, effective February 3, 1987)