**Section 886.510 Credit Worthiness and Financial Capability**

a) The loan applicant shall demonstrate to the Agency that it has the necessary legal, financial and managerial capability to:

1) Retire the loan; and

2) Meet any covenants and requirements in the loan agreement.

b) The Agency may suggest mitigative measures to improve the loan applicant's financial capability to undertake the project, including, but not limited to, acquisition of grant funding, reduction of project costs, additional or different sources of dedicated revenues and changes to existing financial practices that may threaten generation of adequate revenues.

c) The Agency may require a loan repayment period of less than the 5 year maximum. In evaluating the appropriateness of alternative loan terms, the Agency shall consider such factors as the scope of the proposed project, the impacts of alternative loan terms on user fees, and the overall cost of the project.