

1650.0541 APPLICATION PROCEDURES.**Subpart 1. Application.**

A. An applicant and an eligible lender who wish to request the authority to make a loan to the applicant and issue a bond to the lender to fund the loan must jointly complete, sign, and submit an application to the authority. All supporting documents must be submitted with the application.

B. The eligible lender shall present the documents in item A to the authority by the close of the business day on the Friday prior to the first Wednesday of each month. Presentation of the documents constitutes an offer to purchase a bond to fund the loan.

C. Lenders shall use their own forms of financial statement and other forms considered necessary to document the eligibility of the applicant. Financial statements must be dated as of a date not more than 120 days before the date on which the application is submitted to the authority.

Subp. 2. **Application fee.** The applicant shall provide to the eligible lender for submission to the authority with the application a check payable to the Minnesota Department of Agriculture in an amount established by the authority under Minnesota Statutes, section 41C.12, as an application fee. The fee is not refundable.

Subp. 3. **Volume cap allocation charge.** The applicant must also provide to the eligible lender for submission to the authority with the application, a check payable to the Minnesota Department of Agriculture in the amount determined under Minnesota Statutes, section 474A.03, as a volume cap allocation fee. If the application is approved and the authority makes application for a volume cap allocation as described in part 1650.0551, subpart 2, the fee must be delivered to the commissioner of management and budget in payment of the application charge imposed by Minnesota Statutes, chapter 474A. If the application is rejected, the volume cap allocation fee must be returned to the applicant.

Subp. 4. **Use of allocation.** The allocation purchased from the Management and Budget Department must be used within 90 days. If the allocation expires due to no fault of the authority, the authority may require payment of additional fees to secure a new allocation.

Subp. 5. **Insufficient funds.** If there are insufficient funds to allocate to all applications received, priority must be given in the order of the application number. If the allocation requested exceeds the allocation fund balance, the next application must then be allowed to request the allocation. This procedure must be used until the balance of the allocation fund is depleted. Eligible lenders are responsible to verify that an allocation has been secured before closing on their bond.

Subp. 6. **Authority review.** The executive director, or a designee, shall review the information provided and accept or reject the application. If the information provided is

not sufficient to make a determination, the executive director, or a designee, shall request additional information from the eligible lender and applicant. The review must include, but is not limited to, whether the loan complies with the act and parts 1650.0501 to 1650.0571. The authority shall notify the applicant and eligible lender whether the application has been approved or rejected. If the application is not approved, a written notice must state the reasons for disapproval.

Subp. 7. **Administrative reconsideration.** If a proposed application is not approved, the applicant or the eligible lender may petition the executive director for an administrative reconsideration. The petition must be in writing and must be sent within 15 business days of the date of the disapproval. The petition must state the petitioner's reasons for disagreeing with the disapproval and may include additional information relevant to the request for reconsideration. Within 15 business days of receiving the petition, the executive director shall send a written response to the petitioner upholding or reversing the original decision and giving the reasons for the decision.

Subp. 8. **Appeal.** A petitioner may appeal the executive director's reconsideration directly to the authority's board, by written notice to the executive director within 15 business days of receiving the executive director's reconsideration decision. The decision of the board is final.

Subp. 9. **Application expiration.** An application that remains inactive for 120 days from the date of the preliminary resolution is considered canceled and the application fee is forfeited.

Statutory Authority: *MS s 41C.13*

History: *20 SR 2251(NO. 42); L 2009 c 101 art 2 s 109*

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