

1654.0050 APPLICATION PROCESSING.**Subpart 1. Fees.**

A. The applicant shall submit to the authority with the application a check payable to the Department of Agriculture in the amount of \$2,000 as an application fee. The fee is not refundable.

B. A loan origination fee equal to 1-1/2 percent of the amount of appropriated funds utilized to assist the applicant must be submitted by the applicant at time of closing on the assistance.

C. The applicant must also agree to pay all other out-of-pocket costs which are required to process, review, and analyze the application and complete the closing on the financial assistance.

D. When bonds are sold as part of the assistance, all costs of issuance of the bonds shall be paid from bond proceeds or funds of the applicant at the time of closing on the financial assistance.

Subp. 2. Completed applications. An application is complete when the authority receives the application fee and all required documentation and exhibits. If a completed application is received by the authority after an application period has expired, the application and application fee must be returned.

Subp. 3. Incomplete applications. If an incomplete application is received, the authority shall notify the applicant of specific deficiencies in the application. If the additional information necessary to complete the application is not received within an application period, the application is deemed to be rejected.

Subp. 4. Review of eligibility of project and applicant. The authority shall review all completed applications to determine if the project and the applicant are eligible and meet the requirements of Minnesota Statutes, section 41B.044, and these rules. If the project and applicant are eligible, the authority shall review the application for economic feasibility as provided in subpart 6.

Subp. 5. Ineligible project or applicant. The authority shall notify the applicant in writing if the applicant or the project is ineligible. If the application is not amended within the application period, the application must be rejected and will not receive any further consideration.

Upon receipt of an amended application, the authority shall review the amended application under subpart 4.

Subp. 6. **Economic feasibility review.**

A. The authority shall review the application in accordance with generally accepted commercial lending practices and may check personal references. The authority may utilize outside consultants and others knowledgeable in commercial lending and ethanol production in the review of applications submitted.

B. The review must include such factors as:

- (1) management expertise and experience;
- (2) viability of financial plan;
- (3) potential for repayment of financial assistance in a timely manner;
- (4) marketing plan and contracts for sale of product;
- (5) job creation and economic impact;
- (6) environmental consideration;
- (7) special circumstances impacting application;
- (8) sufficiency of collateral offered to authority for financial assistance; and
- (9) degree to which proposed project meets legislative intent to expand ethanol production within the state.

Subp. 7. **Rejection of application based on economic feasibility.** The authority shall notify the applicant in writing if the project is judged not to be economically feasible and the application is rejected.

If the application is rejected due to economic feasibility, the applicant may, within 30 days after written notification by the authority, request that the authority submit the rejected application to the board for review at the next regularly scheduled meeting of the board for which the agenda has not been established.

If so submitted, the board must evaluate the application at its board meeting, in accordance with subpart 8.

Subp. 8. **Board evaluation.** The board shall review and consider approval of an application on the basis of effectuating the purposes of Minnesota Statutes, section 41B.044 and economic feasibility of the project. If the board disapproves the application, the authority shall so notify the applicant within five days of the board meeting. If the board approves the application, it shall pass a resolution giving approval to the project and stating the name of the project owner, a brief description of the project, the assistance to be provided and other provisions as the board in its discretion deems advisable. The amount of financial assistance approved by the board may be less than the amount requested by the applicant.

Throughout the application review and evaluation process, if neither the authority nor the board commits in writing to provide financial assistance to the applicant for the project described in the application, they shall have no liability to the applicant.

Statutory Authority: *MS s 41B.07*

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