**Section 110.70 State Financing**

a) The Department allocates State Financing pursuant to the statutory language of the Act, which provides that:

*"The Department subject to the approval of the Illinois Coal Development Board shall make below market rate loans available to fund a portion of each qualifying [I]ndustrial [C]oal [P]roject."* (Section 9 of the Act)

b) The interest rate for State Financing shall be fixed for the period of the loan and shall not exceed 5% per year. The Department shall annually set the interest rate for all loans that will be issued during the next twelve months based upon the following considerations:

1) current economic conditions;

2) leading interest rate indicators;

3) ability of the State to maximize financial returns to the Illinois Industrial Coal Utilization Fund;

4) potential to sustain the Program through loan repayments;

5) projected availability of other State funds for the Program; and

6) ability of the State to obtain a sufficient number of Applicants for the Program.

c) The period of the loan shall be the term requested by the Applicant, but in any event shall be at least seven years but no longer than ten years.

d) *Any loan or series of loans shall be limited to an amount not to exceed the lesser of $2,500,000 or 25% of the Total Project Cost.* (Section 9 of the Act)