**Section 664.310 Noncompliance with Loan Procedures**

a) In the event of noncompliance with any condition or obligation arising out of the loan, including any action that would jeopardize or compromise the source of revenue for repayment of the loan or security interest, the Director may take any necessary action as provided by law or by the loan agreement against the loan recipient, including, but not limited to, one or more of the following actions:

1) Commence legal action in a court of competent jurisdiction;

2) Declare all amounts under the loan immediately due and payable, enforce any security, and recover all loan funds;

3) Terminate the loan pursuant to Section 664.330 (Termination) of this Subpart;

4) Suspend all or part of the project work pursuant to Section 664.320 (Stop-Work Order) of this Subpart;

5) Reduce the amount of the loan by the amount of misused funds; or

6) Unilaterally adjust the fixed loan rate of the loan agreement to the current market interest rate.

b) No action shall be taken under this Section without notice to the loan recipient.

c) In determining whether to take action, the Agency shall, at a minimum, consider mitigating or aggravating factors, including, but not limited to, the severity and number of the violations; whether the violation is a continuing one; whether the loan recipient can remedy the violation; and whether the loan recipient remains capable of complying with the approved project work.