**Section 664.720 Project Changes**

a) Prior approval of the Agency is required for any project change that may:

1) Increase the amount of loan funds needed to complete the project;

2) Alter the design or scope of the project;

3) Extend any contract or loan completion date for the project;

4) Alter the location, size, capacity or quality of any major item of equipment; or

5) Alter the scope of the project by changing the methodologies or personnel to be used as agreed to at the time the loan was issued.

b) The Agency will approve project changes that it determines are cost-effective and within the overall scope of the loan project, based on approved project planning.

c) The loan recipient shall promptly notify the Agency, in writing, of all project changes. Failure to give timely notice of proposed project changes, or action by the loan recipient that is not consistent with the Agency's determination on those changes, may result in:

1) Disallowance of loan participation for costs incurred that are attributable to the change; and

2) Termination of the loan.