**Section 1100.1130 Terms and Conditions of Loan Agreement**

A loan application approved by OSFM and the Authority is subject to the following terms:

a) Loan proceeds under this Program shall be used exclusively for the purposes listed in Section 1100.1110 and shall be expended in accordance with the approved application and the recipient's policies and procedures related to those expenditures. In the event that the loan proceeds are not expended in the manner approved, the recipient, upon written notification from the Authority, shall be required to submit, by the next payment due date, payment of the outstanding principal and accrued interest, if any, of the loan.

b) Loan proceeds shall be obligated no later than 12 months following the loan funding date.

c) Proof of use of loan proceeds for the funded zero-interest or low-interest loan shall be provided to the Authority and OSFM in writing pursuant to terms specified in the Loan Agreement.

d) Loan proceeds shall be reflected in the recipient's budget.

e) If a loan payment delinquency or default is not cured within 90 calendar days by payment of the amount owed to the Authority, the Authority shall notify the Office of the Comptroller to deduct the amount owed from any payments by the State to the recipient. OSFM and/or the Authority may avail themselves of all remedies, rights and provisions of law applicable in these circumstances. Failure to exercise any rights or remedies provided by law may not be used as a defense by the recipient in any proceeding brought against it by OSFM or the Authority.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015)