

15A NCAC 01U .0204 LOAN PERCENTAGE AND CONDITIONS AND LIMITATIONS

(a) The interest rate on the loan shall be set pursuant to G.S. 143B-344.44(c) by the State Energy Office based on the following:

- (1) previous State Energy Office loan recipients get one percent deduction with closed loans and no defaults to zero percent;
- (2) loans made to residents and small businesses shall receive a one percent interest rate;
- (3) loans made to nonprofit organizations and local governments projects shall receive a two percent interest rate; and
- (4) loans made to commercial and industrial entities shall receive a three percent interest rate.

(b) Loans shall be made subject to the following conditions:

- (1) the repayment schedule shall be based on the estimated payback as shown in the Technical Analysis Report, pursuant to Rule .0303 of this Subchapter;
- (2) the commercial or industrial business, nonprofit organization, local government entity, or resident shall make payments at least once a month;
- (3) the total amount of the loan, or any portion thereof, may be repaid at any time before the total amount is due, without penalty;
- (4) rebates received through other program offerings of the State Energy Office for projects undertaken from loan proceeds shall be used to reduce the amount of principal;
- (5) the borrower shall warrant that all work or construction done with the proceeds of a loan under this program shall comply with all building codes;
- (6) project implementation shall begin within 90 days after approval of the application. If delays are encountered following loan closing, any arbitrage profits will be repaid to the Energy Loan Fund;
- (7) loan payments or drafts shall be sent or delivered to the Financial Service Division, in accordance with Rule .0601 of this Subchapter; and
- (8) a letter of credit from a bank approved to do business in North Carolina shall secure the loan against non-payment and also serve as a quarterly drafting mechanism for loan repayment from the bank.

(c) Loans shall be made subject to the following limitations:

- (1) the amount of the loan shall not exceed allowable costs;
- (2) loans shall not be used to replace an existing loan; and
- (3) no loans shall be forgiven.

*History Note: Authority G.S. 143B-344.44;
Eff. August 1, 2004;
Readopted Eff. June 1, 2021;
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