**Section 1100.1030 Terms and Conditions of Loan Agreement**

An approved loan is subject to the following terms:

a) Loan proceeds under this Program shall be used exclusively for the purposes listed in Section 1100.1005 and shall be expended in accordance with the approved application and the applicant's policies and procedures related to the expenditures. In the event the loan proceeds are not expended in the manner approved, then the post-secondary educational institution, upon written notification from OSFM, shall, within 90 calendar days after the date of the notification, submit payment of the outstanding principal of the loan.

b) Loan proceeds shall be spent no later than six months following the receipt of the loan.

c) Use of loan proceeds shall be accounted for in accordance with standard accounting practices. Loan recipients shall submit to OSFM a report detailing how the loan proceeds were used. This expenditure report, to be submitted on a form supplied by OSFM, shall be due not later than nine months following receipt of the loan.

d) In the event of default that is not cured within 90 calendar days, OSFM shall notify the Office of the Comptroller to deduct the amount owed from any payments from other State agencies, if any, and the post-secondary educational institution shall be ineligible for additional loans until good standing has been restored. In addition, OSFM and/or the Authority may avail itself of all remedies, rights and provisions of law applicable in the circumstances, and the failure to exercise or exert any rights or remedies provided by law may not be raised as defense by the post-secondary educational institution in default.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010)