**74:05:08:15.  Financial security.** Specific requirements to secure a loan must be included in the assistance agreement. The loan must be secured by one or more of the following:

(1)  Full faith and credit of the borrower;

(2)  Pledges of taxes or assessments;

(3)  Pledges of facility revenue;

(4)  Liens on the interest of the applicant in all real and personal property, easements, rights-of-way, water rights, and similar property rights, including leasehold interests, used in connection with the facility or the proceeds therefrom whether owned at the time the loan is approved or acquired with loan funds;

(5)  For loans made for interim financing of a project, the assignment of the proceeds of the federal grant or loan to be made by an agency or instrumentality of the United States government for the project; or

(6)  For loans made to an applicant for relending to private persons whose project consists of eligible nonpoint source projects, the loan repayments from the private loan, and an assignment of an additional collateral securing the private loan.

**Source:** 15 SDR 20, effective August 7, 1988; 21 SDR 97, effective November 28, 1994; 28 SDR 4, effective July 22, 2001; 30 SDR 170, effective May 10, 2004.

**General Authority:** SDCL 46A-1-60.3.

**Law Implemented:** SDCL 46A-1-60.1 to 46A-1-60.3.