**74:05:11:15.  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, whether owned at the time the loan is approved or acquired with loan funds;

(5)  A security interest in the recipient's goods, machinery, inventory, equipment, and other personal property, including fixtures now owned or acquired later, together with all accessions and all substitutions and replacements; documents of title now existing or acquired later by the recipient, covering goods of any kind; accounts or contract rights now existing or arising later; instruments, documents, chattel paper, or general intangibles, including chooses in action, tax refunds, and insurance proceeds; rights to receive any payments in money or kind, or any other obligations or indebtedness owed to the recipient from any source, including guarantees of these rights; and all proceeds and products of all of the items listed in this subdivision; or

(6)  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.

**Source:** 23 SDR 195, effective May 25, 1997; 30 SDR 170, effective May 10, 2004.

**General Authority:** SDCL 46A-1-60.1 to 46A-1-60.3.

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