**12:03:03:05.  Approval procedure for loan application.** Upon approval of a loan application by the commission and the signature of the commission's chair or designated signatory, the commission shall provide the district with a promissory note containing the terms and conditions of the loan. If the purpose of the loan is to purchase equipment, a security agreement and Uniform Commercial Code (UCC) financing statement must also be provided. The chair of the board of supervisors or the designated signatory shall sign the promissory note and the security agreement and UCC financing statement, if applicable, in the name of the district, at a district meeting. The district shall submit the promissory note, security agreement, and UCC financing statement to the division for the disbursal of funds.

**Source:** 11 SDR 59, effective October 29, 1984; 12 SDR 128, 12 SDR 154, effective July 1, 1986; 49 SDR 48, effective November 23, 2022.

**General Authority:** SDCL 38-8-53.

**Law Implemented:** SDCL 38-8-53.