

## CHAPTER 68:02:01

### REDI LOANS

#### Section

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68:02:01:55	Banking Commission examination.
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#### **68:02:01:01. Definitions.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:02. Eligibility requirements.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 25 SDR 59, effective October 28, 1998; 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:03. Preapplication conference.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:04. Application requirements.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:05. Loan amounts.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:06. Equity contribution.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:07. Permissible uses of loan proceeds.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:08. Impermissible uses of loan proceeds.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:09. Interim financing.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:10. Factors for board action.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:11. Board action on applications.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:12. Acceptance and time restrictions of applicant.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:13. Lender agreement.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:14. Regulated lender reporting requirements.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:15. Loan agreement.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:16. Borrower reporting requirements.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:17. Inspection of the business by the board and retention of records.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:18. Additional notification requirements.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:19. Maturity and interest rate.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:20. Review of financial status.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:21. Default on loan agreement.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:22. Enterprise zones.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:23. Delegation of administrative functions.** Repealed.

**Source:** 14 SDR 24, effective August 19, 1987; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:24. Banking commission audit.** Repealed.

**Source:** 21 SDR 44, effective July 4, 1994; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:25. Loans to RRLFs.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:26. RRLF application requirements.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:27. RRLF loan amount.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:28. RRLF loan maturity and interest rate.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:29. RRLF loan collateral.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:30. Impermissible uses of RRLF loan proceeds.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:31. RRLF borrower reporting requirements.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:32. Application of other rules to RRLF loans.** Repealed.

**Source:** 30 SDR 99, effective December 15, 2003; repealed, 34 SDR 68, effective September 13, 2007.

**68:02:01:33. Definitions.** Terms used in this chapter mean:

- (1) "Applicant," any natural person, for-profit entity, or non-profit entity that has completed a REDI fund loan application;
- (2) "Board," the Board of Economic Development;
- (3) "Borrower," an applicant who has been awarded a REDI fund loan;
- (4) "Credit committee," a committee made up of members of the board appointed by the chair of the board with the powers described in § 68:02:01:56;
- (5) "Equity," capital that has no guaranteed or mandatory return which must be invested in the project in any event and which has no definite timetable for repayment to the equity holder;
- (6) "GOED," the Governor's Office of Economic Development;
- (7) "Multifamily housing," housing containing two or more dwelling units, including in an apartment building, duplex, triplex, quadriplex, or townhomes. The term includes housing intended for lease or purchase by the occupant;
- (8) "Preliminary design stage," that portion of the project associated with market research studies identifying the project scope and need, compilation of the business plan, written initial cost estimates, written site options and description, and obtaining the commitments of the lenders;
- (9) "Primary jobs," jobs derived from businesses that bring new income into an area, stimulate other local businesses, or assist a community to diversity and stabilize its economy;

(10) "Project," except when the term is used in conjunction with multifamily housing, the new business; retention, relocation or expansion of an existing business; or other endeavor which will create or retain primary jobs. When the term is used in conjunction with multifamily housing, the term means new multifamily housing or the acquisition and refurbishment of existing multifamily housing;

(11) "REDI fund," the revolving economic development and initiative fund;

(12) "Total project costs," the direct costs associated with the purchase of land, necessary site development and improvements, construction or acquisition and remodeling of buildings and works necessary to the operation and protection of the project, purchase and installation of machinery and equipment, purchase or development of intellectual property rights, fees for services, approved in-kind contributions, adequate working capital financing, and any other cost approved by the board.

**Source:** 34 SDR 68, effective September 13, 2007; 39 SDR 16, effective August 6, 2012; 46 SDR 123, effective May 12, 2020.

**General Authority:** SDCL 1-16G-5, 1-16G-8.

**Law Implemented:** SDCL 1-16G-5, 1-16G-8.

**68:02:01:34. Eligibility requirements.** Any natural person or entity whose project will create or retain primary jobs is eligible to apply for a loan from the REDI fund. The creation or retention of primary jobs is not required for a project which consists solely of multifamily housing.

**Source:** 34 SDR 68, effective September 13, 2007; 46 SDR 123, effective May 12, 2020.

**General Authority:** SDCL 1-16G-5, 1-16G-8(6).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(6).

**68:02:01:35. Application requirements -- Screening.** Application forms shall be provided by GOED and shall be completed and signed before an application is presented to the board. GOED shall screen all applications for completeness and eligibility upon receipt. No incomplete or ineligible applications may be presented to the board. Applications shall include the following information:

- (1) Applicant's name and address;
- (2) Names, addresses, résumés, and references of owners, investors, and management of the business;
- (3) Articles of incorporation and bylaws or other agreements that describe the legal operation or structure of the business;
- (4) Name and address of the owner or operator of the business during the term of the loan;
- (5) A business plan which contains information regarding the products or services to be offered by the applicant; job descriptions with attendant salary or wage information by job category; employee benefit package; educational requirements by job category; and methods of accounting, financing, marketing, sales, merchandising, and other disciplines proposed to be used for business growth and expansion;
- (6) Letters of commitment from all funding sources;
- (7) Up to three years of historical balance sheets, cash flow statements, and income statements or federal tax returns;
- (8) Pro forma balance sheets, cash flow statements, and income statements for the greater of three years or the term of the loan;
- (9) A statement of licensing requirements;
- (10) A statement that addresses the effect of the business on the tax base of the area of the project and other positive and negative effects of the project on the area;
- (11) Assurance of compliance with local zoning laws and building codes and that the necessary public utilities are available or will be available when needed by the project;
- (12) Approximate construction date, construction completion date, and the date by which the project will be fully operational;
- (13) Documentation that the preliminary design stage has been completed; and

(14) Any other information as requested by the board in order to make a sound loan decision.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(7).

**68:02:01:36. Loan amounts.** Unless waived by the affirmative vote of two-thirds of the members of the board present and voting, a loan made pursuant to this chapter may not exceed the original principal amount of \$1,000,000. Unless waived by the affirmative vote of two-thirds of the members of the board present and voting, a loan made pursuant to this chapter may not exceed 45 percent of the total project cost.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(10).

**68:02:01:37. Equity contribution.** The applicant shall provide an equity contribution of a minimum of 10 percent of the total project costs as determined by the board. The requirement may be waived by the affirmative vote of two-thirds vote of the members of the board present and voting if the equity contribution is not necessary to secure the interests of the board. In-kind contributions and completed work may be applied toward the equity contribution and total project costs if, in the judgment of the board, such in-kind contributions and completed work contribute substantially to the project. Costs associated with the preliminary design stage may not be considered as equity contribution except for board-approved intellectual property and innovative technology research and development expenses. The applicant shall provide proof of the existence or availability of the equity contribution.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(10).

**68:02:01:38. Use of loan proceeds.** Loan proceeds may be used for any portion of the total project costs. Except as otherwise provided in this chapter, loan proceeds may not be used for costs associated with the preliminary design stage. Loan proceeds may not be used to finance or refinance the cost of the preliminary design stage. Except for the refinancing of third party interim loans incurred for the project, loan proceeds may not be used to pay existing debt.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(9).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(9).



**68:02:01:39. REDI loan as take-out financing.** Unless otherwise specifically provided in the resolution or motion approving the loan, the applicant shall use the loan to pay off interim financing incurred for the project.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(9).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(9).

**68:02:01:40. Factors for board action.** When making a decision on an application, the board may, in addition to other factors necessary to make a prudent loan decision, consider the following:

(1) Project impact factors:

- (a) Economic impact of primary jobs created or retained;
- (b) Net economic effect of increasing or stabilizing the economy on the community, area, and state;
- (c) Competitive effect on existing businesses;
- (d) Support of the public entities of the community and area;
- (e) The amount of the owner's equity contributed to the project;
- (f) The effect of the project on the environment, health, and safety of the people in the community, area, and state;
- (g) Compatibility with economic development plans of the area and state;
- (h) Type of business;
- (i) Payroll, pay structure, and employee benefit structure;
- (j) Number of jobs created or retained; and
- (k) In the case of multifamily housing, the impact of the project on the availability of workforce within the project area;

(2) Business feasibility factors:

- (a) The potential success of the business and the potential for creating quality jobs and the growth of those jobs;
- (b) The character, experience, management record, and background of the applicant;
- (c) The capacity of the applicant to repay the loan. In determining the capacity of the applicant, the board shall consider the following:
  - (i) The amount of the loan;
  - (ii) The economic feasibility of the project;
  - (iii) The ability of the applicant to service the debt from cash flow of operations, capital, or collateral;
  - (iv) The financial status of the project, business plan, and applicant;
  - (v) The satisfaction of engineering, legal, and environmental regulations;and
  - (vi) The availability of necessary public utilities;
- (d) The total capitalization of the project, which includes all capitalization subordinated to the REDI fund;
- (e) The amount, terms, and conditions of the loan and their compatibility with

the needs of the business and the REDI fund; and

(f) The availability of sufficient collateral to secure the interests of the REDI fund.

**Source:** 34 SDR 68, effective September 13, 2007; 46 SDR 123, effective May 12, 2020.

**General Authority:** SDCL 1-16G-5, 1-16G-8(8).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(8).

**68:02:01:41. Board action on applications.** Within 30 days after GOED receives a complete application, the board shall either approve the application as requested, disapprove the application for modification, approve the application contingent on the realization of certain defined conditions, or disapprove the application. If the application is disapproved or disapproved for modification, the reasons shall be transmitted to the applicant in writing. The applicant whose application has been disapproved may submit another application that addresses the reason for disapproval. The board may extend the time for consideration of an application for up to 50 additional days by advising the applicant of the extension in writing.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(7).

**68:02:01:42. Acceptance and time restrictions of applicant.** The applicant must comply with any conditions required by the board before the application is approved. Within six months after the official loan approval by the board, the applicant must accept the approval in writing or the approval is void. Within six months after written acceptance, the applicant must commence the project. All loan proceeds must be disbursed within one year after approval by the board. The board or credit committee may extend the time for completion of the project and the final disbursement of loan proceeds if mitigating circumstances prevent completion of the project and the applicant has made a diligent effort so to do. The applicant shall submit any request for extension by the monthly loan application deadline prior to the expiration of the six-month period for completion of the project. The board or credit committee may establish the length of the extension period based on the mitigating circumstances.

**Source:** 34 SDR 68, effective September 13, 2007; 39 SDR 16, effective August 6, 2012.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7)(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(7)(10).

**68:02:01:43. Review of financial status.** After the loan is approved but before the loan is closed, the board or GOED may conduct an overall review of the applicant's financial status. The review may include an analysis of all assets and liabilities and an analysis of the applicant's ability to repay the loan and comply with the loan covenants. The board may withdraw the commitment at any time if a material adverse change occurs.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7)(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(7)(10).

**68:02:01:44. Loan agreement -- Employment agreement -- Security.** After the application for a loan is approved, the board and the borrower shall execute a loan agreement, employment agreement, and any other loan documents required by the board. The loan agreement shall contain the rights and responsibilities of the parties and the terms and conditions of the loan. The requirements to secure the loan shall be included in the loan agreement. The employment agreement shall establish the number of primary jobs to be created or retained and the damages payable by the borrower if those jobs are not created or retained. No employment agreement is required for a project consisting solely of multifamily housing.

A loan may be secured or unsecured. A secured loan may be secured by a lien on the interest of the borrower in real and personal property, whether tangible or intangible, as deemed necessary by the board to adequately collateralize the loan.

**Source:** 34 SDR 68, effective September 13, 2007; 46 SDR 123, effective May 12, 2020.

**General Authority:** SDCL 1-16G-5, 1-16G-8(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(10).

**68:02:01:45. Borrower reporting requirements.** The borrower shall submit to the board annually the following information:

- (1) Employment report;
- (2) Federal tax returns or periodic financial statements, or both, as requested by the board; and
- (3) Other information which the board or GOED deems necessary to determine the financial condition of the borrower and conformance to loan covenants.

The board may require that the financial statements be compiled, reviewed, or audited by an independent accountant at the borrower's expense.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(5).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(5).

**68:02:01:46. Inspection by the board and retention of records.** During the term of the loan, the board or GOED may inspect construction; inspect the borrower's operations, books, and records; and request the borrower to provide accounting records, payments, and invoices to ensure compliance with the terms of the loan agreement and the borrower's ongoing ability to repay the loan. The borrower shall retain accounting and tax records for the term of the loan or for a period of three years, whichever is longer.

The board may contract for project monitoring and servicing during the planning, construction, and operation of the project and the borrower's business.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(5).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(5).

**68:02:01:47. Additional notification requirements.** The borrower shall provide the board with written notice within 10 business days of any changes in top level management of the borrower's business or of any plans for sale, public offering, or lease of the business. Any sale, public offering, or lease of the business requires the prior written approval of the board. If the notification and prior approval requirements of this section are not satisfied, the board may call the loan immediately due and payable.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(5).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(5).

**68:02:01:48. Maturity and interest rate.** Except in the case of a project consisting solely of multifamily housing, the maturity of the loan may not be more than five years from the date of loan closing, with payments amortized over not more than 20 years. Upon the affirmative vote of two-thirds of the members of the board present and voting, the board may at the time the loan is approved establish a longer maturity for the loan, but in no event may the original maturity date be more than 10 years from the date of loan closing. In the case of a project consisting solely of multifamily housing, the maturity of the loan may not be more than 30 years from the date of loan closing, with payments amortized over not more than 30 years.

The standard interest rate for REDI loans shall be established by the board from time-to-time and published on the GOED website. The board may deviate from the standard interest rate based on the economic impact of the project, nature and extent of collateral, risk, the amortization period of the loan, and other prudent lending criteria.

The board shall consider the following when establishing the standard interest rate:

- (1) State and national market interest rates;
- (2) State and national economic conditions;
- (3) The solvency and balance of the REDI fund; and
- (4) Other economic or business information necessary to fulfill the board mission to promote economic development in South Dakota.

The borrower is responsible for arranging other financing when the loan is due. If the borrower is unable to obtain financing, the borrower may apply before the loan due date for extension of the loan by the board at an interest rate and time period established by the board. The borrower shall submit any application for extension by the monthly loan application deadline prior to the loan maturity date.

**Source:** 34 SDR 68, effective September 13, 2007; 39 SDR 16, effective August 6, 2012; 46 SDR 123, effective May 12, 2020.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7)(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(7)(10).

**68:02:01:49. Default.** If the borrower violates any of the terms of the loan agreement, the other loan documents, this chapter, or other applicable law, the board may declare the loan in default. Upon default, the board may do one or more of the following:

- (1) Declare the entire principal amount then outstanding and interest accrued thereon immediately due and payable
- (2) Increase the interest rate to the default rate established in the loan documents;
- (3) Take possession of the collateral;
- (4) Repair, maintain, and operate the collateral, or sell, lease, or otherwise dispose of the collateral to another person or entity; or
- (5) Take any other action considered appropriate by the board to protect the interest of the board and the REDI fund.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(10).

**Law Implemented:** SDCL 1-16G-1.1(6), 1-16G-5, 1-16G-8(10).

**68:02:01:50. Delegation of administrative functions.** The GOED shall perform the administrative functions of the creation, processing, and review of loan applications; the preparation and negotiation of loan agreements; the review of the financial status of an applicant; loan servicing; and other functions necessary to expedite and assist it in the

performance of its duties. Notwithstanding any assurance, guarantee, communication, or representation made to the contrary, there is no commitment of the REDI fund without specific authorization by the board. Only the board may make an award from the REDI fund to an applicant.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(5)(7).

**Law Implemented:** SDCL 1-16G-5, 1-52-3.2, 1-52-3.3, 1-52-5.

**68:02:01:51. Official forms.** The board may from time-to-time establish official forms of loan documents, including a loan agreement, promissory note, mortgage, security agreement, employment agreement, and such other documents, certifications, and agreements as the board deems necessary and appropriate. GOED may consent on behalf of the board on a case-by-case basis to any non-substantive modification or to any modification necessary to conform the official forms to the terms of the loan as established by the board.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(10).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(10).

**68:02:01:52. Conflicts of interest.** No member of the board or GOED staff may participate in or vote upon a decision of the board relating to an application or loan servicing action relating to a borrower in which that individual has a direct personal or financial interest.

**Source:** 34 SDR 68, effective September 13, 2007.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7).

**Law Implemented:** SDCL 1-16G-5, 1-16G-8(7).

**68:02:01:53. Confidentiality.** The board, any committee of the board, and the GOED shall, to the extent it constitutes or contains trade secrets or commercial or financial information relating to the operation of an applicant or borrower, maintain as confidential any document, materials, information, or data received or generated by the board, any committee of the board, or the GOED in connection with a proposed or pending application for a REDI loan or an existing REDI loan. If requested by the applicant, the fact that an application has been proposed or is pending shall be maintained as confidential until such time as the application is considered by the board for approval. Any meeting of the credit committee shall be conducted in accordance with SDCL chapter 1-25 and SDCL 1-16G-11.

**Source:** 34 SDR 68, effective September 13, 2007; 39 SDR 16, effective August 6, 2012.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7).

**Law Implemented:** SDCL 1-16G-5, 1-16G-11.

**68:02:01:54. Pre-existing loans.** Repealed.

**Source:** 34 SDR 68, effective September 13, 2007; 46 SDR 123, effective May 12, 2020.



**68:02:01:55. Banking Commission examination.** The board shall request the South Dakota Banking Commission to make an annual examination of the board's lending policies and procedures and the documentation and classification of loans in the REDI fund loan portfolio, including loans made under chapter 68:02:02 of this article.

**Source:** 34 SDR 68, effective September 13, 2007; 39 SDR 16, effective August 6, 2012.

**General Authority:** SDCL 1-16G-5.

**Law Implemented:** SDCL 1-16G-5.

**68:02:01:56. Credit committee -- Other committees.** The chair shall appoint and may remove the members of the credit committee. The credit committee has the powers and duties described in this chapter and such other powers and duties as the board may delegate to it.

The board may establish other standing or ad hoc committees as the board deems appropriate. The chair shall appoint and may remove the members of committees established by the board.

**Source:** 39 SDR 16, effective August 6, 2012.

**General Authority:** SDCL 1-16G-5, 1-16G-8(7).

**Law Implemented:** SDCL 1-16G-5.