

**591—12.2(455G) Eligibility requirements.** Loan guarantees may be offered only for the following purposes:

1. To reimburse all or a portion of the expenses incurred by the applicant for its share of corrective action.
2. To pay for tank and monitoring equipment improvements necessary to satisfy federal and state standards to become insurable.
3. Capital improvements made on a tank site.
4. Purchase of a leaking underground storage tank site.

Determination that the lender has failed to exercise due diligence in disbursing the guaranteed loan proceeds may result in termination of the loan guaranty. Examples of satisfying the due diligence standards include, but are not limited to, loan proceeds issued jointly in the name of an owner or operator and the contractor or installer performing underground storage system upgrade services; or loan proceeds issued jointly in the name of the owner or operator and the environmental consulting firm or underground leak response contractor performing corrective action activities.