

Emergency Steel Guarantee Loan Board, Commerce

§ 400.214

unguaranteed portion of the loan which as a percentage of the Agent's overall interest in the loan is no less than the aggregate percentage of the loan which is not guaranteed. A non-Agent Lender must hold and may not transfer or assign an interest in the unguaranteed portion of the loan representing no less than five percent of such Lender's total interest in the Loan, except as provided paragraph (c)(2) of this section.

[64 FR 57933, Oct. 27, 1999, as amended at 65 FR 24104, Apr. 25, 2000; 65 FR 70294, Nov. 22, 2000]

§ 400.211 Lender responsibilities.

The Lender shall have such obligations and duties to the Board as are set forth in the Guarantee.

[65 FR 70294, Nov. 22, 2000]

§ 400.212 Guarantee.

The Board shall adopt a form of Guarantee to be used by the Board under the Program, and shall publish the Guarantee on its website. Modifications to the provisions of the form of Guarantee must be approved and adopted by the Board.

[65 FR 70294, Nov. 22, 2000]

§ 400.213 Termination of obligations.

The Board shall have such rights to terminate the Guarantee as are set forth in the Guarantee.

[65 FR 70294, Nov. 22, 2000]

§ 400.214 Participations in guaranteed loans.

(a) Subject to paragraphs (b), (c) and (d) of this section, a Lender may dis-

tribute the risk of a portion of a loan guaranteed under the Program by sale of participations therein if:

(1) Neither the loan note nor the Guarantee is assigned, conveyed, sold, or transferred in whole or in part;

(2) The Lender remains solely responsible for the administration of the loan; and

(3) The Board's ability to assert any and all defenses available to it under the Guarantee and the law is not adversely affected.

(b) The following categories of entities may purchase participations in loans guaranteed under the Program:

(1) Eligible Lenders;

(2) Private investment funds and insurance companies that do not usually invest in commercial loans;

(3) Steel company suppliers or customers, who are interested in participating as a means of commencing or solidifying the supplier or customer relationship with the borrower; or

(4) Any other entity approved by the Board on a case-by-case basis.

(c) The Agent may not grant participations in that portion of its interest in a loan that may not be assigned or transferred under § 400.210(d). A Lender, other than the Agent, may not grant participations in that portion of its interest in a loan that may not be assigned or transferred under § 400.210(d).

(d) At least 5 percent of any participation interest in a loan must be unguaranteed.

[65 FR 70294, Nov. 22, 2000]