

**Sec. 17-31ee-6. Promissory note**

(a) Each loan shall be evidenced by a promissory note which shall contain a provision permitting the borrower to prepay the loan in whole upon any interest payment date without penalty.

(b) The promissory note shall provide for the payment of interest at a rate or rates established by the state bond commission in accordance with subsection (t) of Section 3-20 of the Connecticut General Statutes.

(c) The promissory note may provide for the collection of a late charge, not to exceed two (2) percent of any installment more than fifteen (15) days in arrears. Late charges shall be separately charged to and collected from the borrower.

(d) The promissory note shall contain a provision that the failure of the borrower's child care facilities to comply with all state and local health and safety regulations, and in particular, those applicable to child care facilities, may constitute a default.

(e) The failure of the borrower to abide by the terms of the loan agreement, the promissory note, or other documents signed by the borrower in connection with such loan shall be considered in default under such promissory note.

(f) The promissory note shall contain a provision that the failure of the borrower to make a full payment of any principal or interest due under the promissory note within thirty (30) days from the due date shall constitute a default.

(g) The promissory note shall provide that upon default, any and all sums owing by the borrower under the promissory note shall, at the discretion of the Commissioner, become immediately due and payable.

(h) The promissory note shall provide for payment of reasonable attorney's fees and legal costs in the event the borrower shall default in the payment of the note.

(i) Upon default the borrower will be ineligible to apply for funds under any other Department of Human Resources loan programs.

(Effective August 28, 1989)