Sec. 32-23o-4. 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 or in part upon any interest payment date.

(b) The promissory note shall provide for the payment of interest at a rate not to exceed 1% above the interest paid by the state of Connecticut on the latest general obligation bonds issued prior to the date of approval of the loan application.

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

(d) 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 a default under such promissory note.

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

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

(g) The promissory note shall provide that in the event of default, interest on the promissory note shall automatically increase to twelve percent per annum and shall apply not only after default, but after any judgment rendered upon said promissory note.

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

(i) The promissory note shall contain such other clauses and covenants as the authority, in its discretion, may require.

(Effective November 6, 1980)