

Sec. 16a-43-4. Promissory note for small home heating oil dealer loans

(a) Each small home heating oil dealer loan shall be evidenced by a Promissory Note in the maximum amount of the loan set forth in the small home heating oil dealer Loan Agreement and 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 of not more than 1% above the rate of interest borne by the bonds of the State of Connecticut last issued prior to the date of approval of the loan application except that, if such rate is lower than the rate charged by the Federal Small Business Administration for loans provided under its Economic Dislocation Loan Program, the Federal Small Business Administration rate shall be charged and collected.

(c) The Promissory Note may provide for the collection of a late charge not to exceed two percent of any installment which is not paid within ten days of the due date thereof. 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 small home heating oil dealer Loan Agreement or the Promissory Note shall be considered as 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 installments 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 Commissioner, become immediately due and payable.

(g) The Promissory Note shall provide for the payment of reasonable attorneys' fees and legal costs in the event the borrower shall default in payment of the Note.

(h) The Promissory Note shall contain such other clauses and covenants as the Commissioner, in his discretion, may require.

(Effective March 10, 1983)