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Title 22@ Social Security

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Division 7@ Health Planning and Facility Construction

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Chapter 4@ Fire Protection Loans

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Article 2@ General Provisions

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Section 91333@ Events of Default

91333 Events of Default

(a)

The Department may declare a default upon the following conditions: (1) Failure by the borrower to comply with all the terms and conditions of the Loan Agreement, the Note, and such other security instruments executed by the borrower. (2) The borrower's noncompliance with laws and regulations pertaining to the operation and condition of the facility. (3) Failure of the borrower to maintain sufficient funds in a trust account to prosecute the work of the improvements. (4) The borrower's abandonment of the work, property or operation of the facility. (5) Failure of the borrower to tender an installment payment for a period greater than 30 days from due date. (6) The borrower's change of license category without the written consent of the Department, conveyance of title to the property, transfer of possession or purported change of obligor on the loan without express approval of the Department. (7) Failure of the facility, during the term of the loan, to maintain in effect its license in the category of facility under which the loan was issued. (8) Where the borrower files for relief under any chapter of the Federal Bankruptcy Act or where an action is filed against the borrower under any chapter of the Federal Bankruptcy Act.

(1)

Failure by the borrower to comply with all the terms and conditions of the Loan Agreement, the Note, and such other security instruments executed by the borrower.

(2)

The borrower's noncompliance with laws and regulations pertaining to the operation and condition of the facility.

(3)

Failure of the borrower to maintain sufficient funds in a trust account to prosecute the work of the improvements.

(4)

The borrower's abandonment of the work, property or operation of the facility.

(5)

Failure of the borrower to tender an installment payment for a period greater than 30 days from due date.

(6)

The borrower's change of license category without the written consent of the Department, conveyance of title to the property, transfer of possession or purported change of obligor on the loan without express approval of the Department.

(7)

Failure of the facility, during the term of the loan, to maintain in effect its license in the category of facility under which the loan was issued.

(8)

Where the borrower files for relief under any chapter of the Federal Bankruptcy Act or where an action is filed against the borrower under any chapter of the Federal Bankruptcy Act.