

documents, against all claims, costs and expenses. This Section shall survive the payment in full of the loan, any return or draw upon the cash collateral deposit for the loan, or any termination of the applicable deposit agreement or other loan documents.

5. ...

6. Loan delinquency will be defined according to the lender's normal lending policy. Notification of delinquency will be made to the corporation in writing by lender submitting a completed, signed and dated CSP banker loan status monthly report within ten days after the end of each month as stated in the collateral deposit agreement.

7. If default by borrower continues for more than 90 calendar days in making payment, when due, of any installment of principal or interest on any note, the lender may demand in writing to LEDC to release the funds in the deposit account by submitting a completed, signed and dated claim form notifying LEDC of the default reasonably describing the circumstances of the default. Once the release is requested, the lender may begin their standard collection and liquidation process.

8. - 9. ...

B. LEDC Collateral Deposit Agreement

1. The LEDC collateral deposit agreement shall provide for the pledge by LEDC of cash collateral to the lender under this collateral support program (CSP). On or about the closing of the loan documents, LEDC shall deposit with the lender cash collateral in an amount not to exceed 50 percent of the principal amount of the loan, and not to exceed a maximum of \$250,000, on loan amounts no greater than \$500,000; or LEDC shall deposit with the lender cash collateral in an amount not to exceed 25 percent of the principal amount of the loan, and not to exceed a maximum of \$250,000, on loan amounts greater than \$500,000 but less than \$1,000,000, accepted by LEDC under this program to be placed in an interest bearing account or certificate of deposit (the LEDC CSP loan and deposit account or deposit account) in the name of LEDC to be maintained with the lender until the loan has been repaid, or the deposited funds are applied to the payment of not to exceed 25 percent or 50 percent (depending on the principal amount of the loan) or \$250,000 of the outstanding unpaid principal balance (but not the interest, lender fees or costs of collection) due on the loan; and thereafter, should any funds remain in the deposit account after the application of such funds, the remaining amount shall be returned by lender to LEDC, plus all interest accrued on the deposit account which is not included as a portion of the collateral securing the loan.

2. - 3. ...

4. The LEDC's cash collateral deposit will secure and cover up to no more than 25 percent or 50 percent (depending on the principal amount of the Loan) on the unpaid balance on the principal amount owed only.

B.5. - C.1. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1467 (June 2022), LR 48:1912 (July 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:732 (May 2026).

§9117. Guidelines

A. The Louisiana Economic Development Corporation (LEDC), or Louisiana Economic Development (LED), as the administrators of this program, may make, create, or issue from time to time Guidelines interpreting, construing, explaining and/or supplementing these Rules; and may revise, supplement, or otherwise change or modify the guidelines at any time with or without notice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1469 (June 2022), LR 48:1914 (July 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:733 (May 2026).

Anne G. Villa
Deputy Secretary/CFO

2605#051

RULE

**Louisiana Economic Development
Office of Economic Development
and
Louisiana Economic Development Corporation**

Louisiana Seed Capital Program (LAC19:VII Chapter 89)

Louisiana Economic Development, Office of Economic Development, and Louisiana Economic Development Corporation authorized by and pursuant to the provision of the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 36:104, 36:108, and 51:2312 hereby amends certain rules for the administration of the Louisiana Seed Capital Program (LSCP).

In accordance with the Office of Governor Executive Order No. JML 25-038, LED reviewed and evaluated the LSCP Program Rules and proposes amendment to better align regulations with the U.S. Treasury guidelines and the agency's mission. This Rule is hereby adopted on the day of promulgation.

**Title 19
CORPORATION AND BUSINESS
Part VII. Louisiana Economic Development
Corporation**

**Subpart 11. Louisiana Seed Capital Program (LSCP)
Chapter 89. SSBCI Seed Capital ARPA 2021
§8903. Definitions**

A. - B. ...

Co-investment or Coinvesting—a multiple SSBCI supported venture capital investment from different venture capital funds and other equity/venture capital invest in the same round. The SSBCI capital may not count as private capital.

Contract Monitor—LEDC designee, authorized to act as a representative and a liaison between LEDC and the General Partner to perform various duties of this contract and monitor its terms, as agreed upon.

Corporation—Louisiana Economic Development Corporation (LEDC).

Direct Investment—an investment in which financial investors take part with each other and act jointly by uniting or combining together to invest directly into individual companies or businesses.

Early-Stage Qualifying Investment or Early-stage Equity Investment or Early-stage Investing—funding intended for companies in the development phase, including convertible debt funding. This stage of financing varies from small funds for companies cultivating ideas or concepts to larger sums for companies looking to grow their products and services.

* * *

LED—Louisiana Economic Development, formerly Louisiana Department of Economic Development.

* * *

Risk Investment—an investment that may provide equity through the purchase of common stock, preferred stocks, partnership rights or any other equity investment. Additionally it may mean debt positions, which may act as equity or have equity features such as subordinated debt, debentures or other such instruments used in conjunction with features intended to yield significant capital appreciation.

* * *

Valuation of Investment Fund—the value of any monies invested or otherwise used as risk capital in businesses plus the unexpended monies available for investment or used as risk capital.

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1480 (June 2022), LR 48:1921 (July 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:733 (May 2026).

§8905. Eligibility for Seed Capital Fund to Participate in This Program

A. - F.2. ...

3. such individual business investments shall not be extended to businesses with more than 750 employees; and

4. any investment transaction or investment round extended through this program shall not exceed the amount of \$ 20,000,000.

G. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1487 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:734 (May 2026).

§8907. Application Requirements for Investment

A. - A.3. ...

B. After its receipt and review by the LEDC staff, the completed application for the prospective fund participant will then be submitted to the next scheduled LEDC board meeting for its consideration of final approval.

C. - E.11.c. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1488 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:734 (May 2026).

§8909. Application Process

A. - A.1.b. ...

2. All applications received by LEDC will be reviewed by the LEDC staff; and the staff may request additional information beyond that which has been provided. After their receipt and review by the LEDC staff, the completed applications for prospective fund participants shall then be submitted to the next scheduled LEDC board meeting for its consideration of final approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1489 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:734 (May 2026).

§8911. Investments

A. A qualified or eligible fund may receive an investment equal to \$1 of LEDC funds for each \$1 of funds privately raised by the applicant fund.

B. - F. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1489 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:734 (May 2026).

§8913. Reporting

A. Upon closing of each investment, each venture capital fund that is the recipient of LEDC funds shall provide to LEDC the following information, including any other information required in accordance with U.S. Treasury program guidance:

A.1. - C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1490 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:734 (May 2026).

Anne G. Villa
Deputy Secretary/CFO

2605#050