**Section 365.430 Loan Eligible Costs**

The loan recipient shall be paid, upon request, in accordance with Section 365.440, for all costs within the scope of the approved project, not to exceed the total amount of the loan, and that are determined to be eligible in accordance with the following criteria:

a) Eligible project costs include all reasonable and necessary costs directly attributable to the project's planning, design, or construction that are not otherwise excluded by this Part. Categories of necessary costs include, but are not limited to, the following:

1) The direct purchase of materials, equipment, and personal services not under the approved construction contract necessary for the completion of a loan funded project;

2) Professional and consultant services contracts necessary for planning, design, bidding, and construction of a loan funded project, except as elsewhere limited by this Part;

3) Costs under approved construction contracts;

4) Costs for premiums for required flood insurance during the project construction period; and

5) Costs under a construction contract executed prior to the award of the loan agreement only when the following conditions apply:

A) The loan applicant has received written approval from the Agency prior to the award of the construction contract;

B) The project meets the definition of a compliance project in accordance with Section 365.110; and

C) The project costs in subsection (a)(5)(B) were incurred and construction was initiated after March 7, 1985.

b) Ineligible project costs include, but are not limited to, the following:

1) Cost for basin or areawide planning other than facilities planning; and

2) Costs outside the scope of the approved Project Plan.