

32.106 Order of preference.

The *contracting officer must* consider the following order of preference when a contractor requests contract financing, unless an exception would be in the Government's best interest in a specific case:

(a) Private financing without Government guarantee. It is not intended, however, that the *contracting officer* require the contractor to obtain private financing-

(1) At unreasonable terms; or

(2) From other agencies.

(b) *Customary contract financing* other than loan guarantees and certain advance payments (see [32.113](#)).

(c) Loan guarantees.

(d) *Unusual contract financing* (see [32.114](#)).

(e) Advance payments (see exceptions in [32.402\(b\)](#)).

Parent topic: [Subpart 32.1 - Financing for Other Than a Commercial Purchase](#)