**Section 1100.825 Repayment Procedures**

a) Loans shall be repaid within 20 years, except that loans to finance acquisition of brush trucks shall be repaid within 10 years.

b) For the purchase of brush trucks by a fire department, the Program shall provide loans at a 2% rate of simple interest per year if both the brush truck chassis and the apparatus are built outside of Illinois; a 1% rate of simple interest per year if either the brush truck chassis or the apparatus is built in Illinois; or a 0% rate if both the brush truck chassis and the apparatus are built in Illinois. The applicable interest rate shall be fixed and remain in effect for the term of the loan.

c) The rate of interest on loans under the Program, except for brush trucks, will be a 0% fixed interest rate (and remain in effect until the final maturity date of the loan) unless the applicant has one or more investment grade credit ratings (i.e., at or above "Baa3" or "BBB-" or the equivalent) from any nationally recognized municipal credit rating agency. The applicable interest rate shall be fixed and remain in effect until the final maturity date of the loan.

d) For applicants that do not qualify for 0% loans pursuant to subsection (c), the interest rate shall be determined as follows:

1) The interest rate will be set each January 1 for loans that are documented and funded during that calendar year;

2) The interest rate will be equivalent to 50% of the mean of the Bond Buyer's 20-Bond General Obligation Index for the 12 month period that ended September 30 of the prior calendar year (and will represent the interest rates in effect as of October 1 of each year under the Illinois Environmental Protection Agency's State Revolving Fund/Clean Water Initiative Programs); and

3) The loans will bear interest on a simple interest basis. The applicable interest rate shall be fixed and remain in effect until the final maturity date of the loan.

e) Payments on the loan (principal and accrued interest, if any) shall be made on an annual basis in equal installments as provided in the Loan Agreement with the Authority. The Authority shall deposit the payments received into the Fire Truck Revolving Loan Fund in accordance with the Act, if required by law.

1) Loan payments shall be due on November 1 of each year, with the initial payment due based on the loan funding date, as follows:

A) If the time period between loan funding date and the immediately following November 1 is 180 days or more, the first payment shall be due on November 1 immediately following the loan funding date; or

B) If the time period between the loan funding date and the immediately following November 1 is less than 180 days, the first payment shall be due on the second November 1.

2) After the first payment is made, succeeding payments shall be due on each November 1 until repaid in full.

3) Payments shall be made payable to the "Illinois Finance Authority – Fire Truck Revolving Loan Fund", with payments submitted by wire transfer, by electronic funds transfer (automated clearing house), or by check pursuant to instructions provided in the annual invoice on each loan.

4) Payments not received within 15 calendar days after the due date shall be assessed a penalty of 5% of the payment amount due. Nevertheless, this late payment penalty shall be waived whenever the postmark date on an envelope used to submit a payment by check is dated a minimum of five days or more before the end of the 15 calendar day grace period. Payments remitted via wire transfer shall not be assessed late payment penalty if the wire transfer payment is received before the end of the 15-day grace period.

5) A recipient may prepay all or a portion of the balance due on the loan, without penalty, on any date, provided that the recipient initiates contact with the Authority to obtain the total amount of the principal and accrued interest, if any, due on the repayment date.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015)