**Section 575.400 Application Procedures**

a) The State Board of Education shall distribute application forms to all eligible participants, as specified by Section 2-3.117a of the School Code, no later than June 1 for the following fiscal year. Applications will be due to the State Board of Education no later than December 1 of the fiscal year in which loans will be made.

b) Each application for a loan shall include the following information:

1) A list of all applicable expenditure categories, as described in Section 575.200 of this Part, for which loan proceeds shall be used;

2) The amount of the loan requested, which shall not exceed the amount calculated pursuant to Section 575.300 of this Part;

3) A description of the proposed use(s) of the loan funds, as specified in the resolution adopted by the participant's governing board authorizing submission of the loan application;

4) Such assurances and certifications as the State Board of Education may require, to include at least the following:

A) that the loan proceeds shall be used in the grade levels specified on the application;

B) that the governing board approved a resolution authorizing submission of the loan application, specifying the date of that approval; and

C) that the participant shall comply with Section 2-3.117a of the School Code, this Subpart and the loan agreement (see Section 575.700 of this Part); and

5) In order to comply with Section 575.700(e) of this Part, a participant that does not receive General State Aid directly from the State Board of Education shall submit a resolution adopted by the board of education of each school district from which the participant receives students signifying that the district's General State Aid payment will be withheld in accordance with subsection (b)(5)(A) or (b)(5)(B) of this Section, as applicable, in the case of the participant's default on the loan.

A) For an area vocational center operated as a cooperative by two or more school districts, the amount withheld shall be proportionately deducted from the General State Aid of each district that is a party to the cooperative agreement establishing the area vocational center. A district's proportionate share shall be based upon the ratio of the number of students enrolled from that district to the total number of students that the center serves from all districts participating in the cooperative. The number of students used for this calculation shall be determined using the method identified in Section 575.300 of this Part.

B) For a charter school receiving its charter from a school district, the amount withheld from the chartering district's General State Aid payment shall be deducted by the district from the next quarterly payment due to the charter school from the district.

c) Each loan application shall bear original signatures of the chief administrative officer and of the president of the governing board and shall be sent to the State Board of Education as specified on the application form. Applications must be postmarked not later than 30 calendar days following the governing board's approval. Applications postmarked later than 30 days following governing board approval shall be returned to the applicant as ineligible for consideration. An applicant whose request has been returned as ineligible may reapply during the funding cycle, provided it has met all of the requirements of Section 575.400 of this Part.

d) Applications received by the division specified on the form after December 1 of the fiscal year in which a loan is requested shall not be processed.

e) Participants are limited to one approved loan per fiscal year.

(Source: Amended at 28 Ill. Reg. 13227, effective September 17, 2004)