**Section 1100.1125 Repayment Procedures**

a) Loans shall be repaid within 25 years.

b) The rate of interest on loans under the Program will be 0% 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.

c) For applicants that do not qualify for a 0% fixed interest rate loan pursuant to subsection (b), 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);

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

d) 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 will provide invoices to loan recipients on an annual basis. The Authority shall deposit the payments received into the Fire Station Revolving Loan Fund in accordance with the Act, if required by law.

e) Loan payments shall be due on November 1 of each year.

1) The first payment shall be due as follows:

A) If the time period between the 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 immediately following the loan funding date.

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

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

g) Payments not received within 15 calendar days after the due date shall be assessed a penalty of 5% of the payment due. Nevertheless, the late payment penalty shall be waived whenever the postmark date on an envelope used to submit a payment by check is dated 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.

h) 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: Added at 39 Ill. Reg. 4924, effective March 19, 2015)