**Section 886.610 Delinquent Loan Repayments**

a) If a repayment is not made according to the repayment schedule, the loan recipient shall notify the Agency in writing within 15 days after the repayment due date. The notification shall state the reasons the repayment was not timely tendered and the circumstances under which the late repayment will be satisfied, and shall contain binding commitments to assure future repayments. After receipt of this notification, the Agency shall accept the plan or take action in accordance with subsection (b) below.

b) If a loan recipient fails to comply with subsection (a) above, the Agency shall promptly issue a notice of delinquency to the loan recipient and require a written response within 15 days. The notice of delinquency shall require the loan recipient to take specified actions as may be appropriate to remedy the delinquency and to assure future repayments.

c) In the event that the loan recipient fails to timely or adequately respond to a notice of delinquency, or fails to meet any obligations pursuant to subsections (a) and (b) above, the Agency may impose against the loan recipient any of the sanctions set forth in Section 886.300 (Agency Action for Noncompliance with Loan Agreements and Procedures) of this Part, including, but not limited to, termination of the loan.

d) The Agency shall have the authority to impose a late payment fee on individual loan repayments that are deemed delinquent by the Agency in accordance with the procedures set forth in this Section. The late payment fee shall be an amount equal to twice the fixed loan rate, as stated in the loan agreement, multiplied by the delinquent loan repayment amount. The late payment fee may be assessed commencing on the date that the Agency deems the individual loan repayment to be delinquent in accordance with this Section, and may be assessed for each 30-day period that the individual repayment remains delinquent.