**Section 1100.1117 Funding Criteria and Credit Review Process**

In addition to the loan application review criteria developed by OSFM (see 41 Ill. Adm. Code 294.160), the credit review process and funding criteria approved by the Authority for this Program are as follows:

a) The Authority's Chief Financial Officer, or his or her designee, will serve as an ex officio, non-voting member of the OSFM's Loan Application Review Committee for the purpose of reviewing submitted loan documentation to ensure that all documents necessary for the Authority to initiate its credit and due diligence review are present (see 41 Ill. Adm. Code 294.140).

b) If an applicant is delinquent on a previous loan funded by the Authority, the applicant shall be automatically disqualified from funding under this Program until any loan repayment delinquency has been cured.

c) The applicant must demonstrate its ability to meet at least one of the following minimum debt service coverage requirements:

1) General fund revenues or specified revenue stream: 1.25x; or

2) State tax intercept revenues: 1.25x; or

3) Direct property levy for the loan: 1.00x.

d) The applicant must submit supporting documentation for the sources of repayment as follows:

1) For general fund or specified revenues, submit a current Board-approved budget that reflects the identified revenue sources and amounts; or

2) For direct property tax levy (i.e., general obligation), submit a copy of the levy and the ordinance authorizing the levy prior to the funding date.

e) If the applicant's repayment source is property tax receipts, the applicant's average actual property tax collections over the past three fiscal years must exceed 95% of the total possible tax collection.

f) The applicant must provide a resolution or ordinance approved by the applicant's Board that includes the following approvals:

1) Loan Application;

2) Loan Agreement;

3) Sources and amounts of repayment;

4) State tax revenue intercept agreement; and

5) Mortgage on the fire station constructed, rehabilitated, remodeled or expanded, or mortgage on the land acquired for the construction or expansion of a fire station, if required by the Authority.

g) Each loan must be secured by the applicant's:

1) General funds or, if available, a direct property tax levy or State tax revenue intercept; and

2) Possession of a mortgage to the subject real estate, if the Authority, in its sole discretion, decides to accept such a mortgage.

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