



ADMINISTRATIVE RULES OF MONTANA



36.23.118 EVALUATION OF FINANCIAL MATTERS AND COMMITMENT AGREEMENT

- (1) Before the commitment agreement is executed, the department shall conduct a review of the applicant's financial status and determine based on the information available whether the borrower will be able to repay the loan. This review must include an analysis of all assets and liabilities as well as an analysis of the system's financial capability and may include but not be limited to: condition of the system, number of current and potential users, existing and proposed user fees for system, existing and proposed user fees for other utilities in the jurisdiction, overlapping indebtedness within the jurisdiction and any other financial or demographic condition relevant to the applicant's ability to repay the loan, or any additional security to be provided. If on the review of such material, the department determines that the loan cannot be repaid in accordance with its terms, the application must be denied.
- (2) Upon approval of the application, if the borrower is a municipality, the department may require the municipality, upon approval by its governing body, to enter into a commitment agreement in the form provided by the department with the department, pursuant to which the municipality agrees to adopt the bond resolution and issue the bond described therein, and to pay its origination fee in the event the municipality elects not to issue its bond, unless excepted from the requirement to pay the origination fee by the department.
- (3) Upon approval of the application, if the borrower is a private person, the department may require the private person, upon approval by the appropriate person or entity, to enter into a commitment agreement in the form provided by the department with the department, pursuant to which the private person agrees to adopt the loan agreement and issue the bond described therein, and to pay its origination fee in the event the private person elects not to issue its bond, unless excepted from the requirement to pay the origination fee by the department.

Authorizing statute(s): 75-6-205, MCA

Implementing statute(s): 75-6-224, MCA

History: NEW, 1998 MAR p. 1412, Eff. 5/29/98; AMD, 2004 MAR p. 2288, Eff. 9/24/04.