36.24.107 FEES

(1) The following fees and charges are established and imposed for participation in the revolving fund program.

(a) If an environmental impact statement is required pursuant to the Montana Environmental Policy Act and the department or the department of environmental quality rules, the applicant shall bear the cost of the environmental impact statement.

(b) An administrative fee up to 1% of the amount of the maximum authorized principal amount of the loan as reflected in the bond resolution or loan agreement must be charged each borrower, unless excepted from this requirement by the department. The department shall retain the administrative fee from the proceeds of the loan at the time of closing and transfer the fee to the state revolving fund administrative account as provided in the indenture of trust. The department and department of environmental quality may determine and establish from time to time the precise amount of the administrative fee to be charged, based on the projected costs of administering the program and other revenues available to pay such costs.

(c) Each borrower shall be charged an administrative expense surcharge on its loan equal to .75% per annum on the outstanding principal amount of the loan, as such percentage may be adjusted pursuant to this subsection, payable on the same dates that payment of principal and interest on the loan are due. The department and department of environmental quality may determine and establish from time to time the precise amount of the administrative expense surcharge to be charged, based on the projected costs of administering the program and other revenues available to pay such costs. The administrative expense surcharge must be deposited in the special administrative costs account as provided in the indenture of trust.

(d) Each borrower's origination fee shall be paid at closing by the retention by the department of such amount from the proceeds of the loans or from proceeds of the borrower, unless excepted from this requirement by the department.

(e) All borrowers unless excepted from the requirement by the department shall pay a loan loss reserve surcharge equal to 1% per annum on the outstanding principal amount of the loan, as such percentage may be adjusted as set forth in this subsection, payable on the same dates that payments of principal and interest on the loan are due. The loan loss reserve surcharge must be deposited in the loan loss reserve account established in the indenture of trust until the loan loss reserve requirement as defined in the bond resolution or loan agreement is satisfied. At this point it can be deposited in the state allocation account or to such other fund or account in the state treasury authorized by state law as a department of environmental quality or department representative shall designate, or segregated in a separate subaccount in the loan loss reserve account and applied to any costs of activities under the program authorized by state law as a department of environmental quality or department representative shall designate. The department and department of environmental quality may determine and establish from time to time the precise amount of the loan loss reserve surcharge to be charged, based on the loan loss reserve requirement and the amounts in the match account.

(i) The borrower shall repay the loan at an interest rate determined in accordance with ARM 36.24.110, plus the loan loss reserve surcharge plus the administrative expense surcharge. The borrower shall propose rates and charges for all wastewater services necessary to repay the above items. The department and the department of environmental quality shall rank all applications. Based on a consideration of socioeconomic factors and measures of financial condition, and in accordance with the provisions of the intended use plan, the department may agree not to impose the loan loss reserve surcharge on the borrower. Any excess fees on revenues generated within or by the program shall be used exclusively for purposes authorized by the federal act.

Authorizing statute(s): 75-5-1105, MCA

Implementing statute(s): 75-5-1113, MCA

History: NEW, 1991 MAR p. 1952, Eff. 10/18/91; AMD, 1995 MAR p. 2423, Eff. 11/10/95; AMD, 2002 MAR p. 2213, Eff. 8/16/02; AMD, 2004 MAR p. 2291, Eff. 9/24/04.