



STATE OF ILLINOIS
Bruce Rauner, Governor

Fire Truck Revolving Loan Program

Administered Jointly By



Office of the Illinois State Fire Marshal
Matt Perez, State Fire Marshal



Illinois Finance Authority
Christopher B. Meister, Executive Director

APPLICATION DEADLINE

MUST BE POSTMARKED NO LATER THAN OCTOBER 31, 2018

A fillable application is provided for you online at <https://www2.illinois.gov/sites/sfm/lam/FireDepartment/Grants-and-Loans/Pages/default.aspx>. You **must** utilize this electronic application when filling out the form. Completed applications and all required attachments should be submitted to:

Office of the Illinois State Fire Marshal
Fire Truck Revolving Loan Program
1035 Stevenson Drive
Springfield, Illinois 62703

Applications must be postmarked no later than October 31, 2018.

Questions about the program or the loan application should be directed to the Office of the Illinois State Fire Marshal, Division of Special Projects, at (217) 785-4717.

Program Overview

The Illinois Fire Truck Revolving Loan Program was created in the Rural Bond Bank Act in 2003 by Public Act 95-35 (30 ILCS 360/3-27). The program was re-enacted in 2004 as part of the Illinois Finance Authority Act by Public Act 93-205 (20 ILCS 3501/825-80). The initial purpose of the program was to provide interest-free loans for the purchase of fire trucks to fire departments, fire protection districts and township fire departments. The program was changed to an interest-free and low-interest program in 2013 by Public Act 97-901.

You may view the statutory authority, as well as the administrative rules governing the program by clicking on the links below.

- Statutory authority - [20 ILCS 3501/825-80](#)
- Administrative rules - [Title 41, Part 290](#) and [Title 74, Part 1100, Subpart H](#)

Funding

Approximately \$7 million will be available for this application period.

Eligibility

Most Illinois fire departments, fire protection districts and township fire departments are eligible to apply for loans¹. The applicant must be in compliance with the reporting requirements of the National Fire Incident Reporting System (NFIRS) for a minimum of 24 months prior to application for a loan. Failure to be in compliance with NFIRS requirements will result in an automatic denial of a loan.

Fire departments that are for-profit entities, not-for-profit entities, associations and/or not-for-profit corporations (i.e. not a governmental body) and units of local government that do not operate a fire department (i.e. a municipality that contracts for fire suppression services from another municipality or fire district) are not eligible to apply.

Application Fee

There is no initial fee to apply for a loan. If an applicant is awarded a loan, a \$500 processing fee will be deducted from the loan proceeds by the Illinois Finance Authority for costs associated with servicing the loan.

Loan Amount and Interest Rate

Fire Trucks²

The maximum loan provided under this program for fire trucks is \$350,000. The term of the loan may not exceed 20 years. Although the primary goal of the program is to provide 0% interest loans, applicants with investment grade credit ratings (at or higher than Baa3, BBB- or the equivalent from any nationally recognized municipal credit rating agency) will be charged interest on the loans. The rate will be 50% of the mean of the Bond Buyer's 20-Bond General Obligation Index for the twelve month period ending as of October 1st of the applicable loan application year. The interest rate for this application period is 1.84%.

¹ Fire department, fire protection district and township fire department means a unit of local government (as defined by Article VII, Section 1 of the Illinois Constitution of 1970 and in state law at 5 ILCS 70/1.28) that provides fire suppression within a geographical area.

² Fire truck includes, but is not limited to, pumpers (engines), ladder trucks, elevating platforms, rescue trucks, tankers (tender) and squad trucks.

Brush Trucks³

The maximum loan provided under the program for brush trucks is \$100,000. The term of the loan may not exceed 10 years. The interest rate for brush truck loans is set by statute based on where the truck is built. If both the chassis and the apparatus are built outside of Illinois, the interest rate will be 2%. If either the chassis or the apparatus are built outside of Illinois, the interest rate will be 1%. If both the chassis and the apparatus are built inside Illinois the interest rate will be 0%.

Evaluation of Applications

Loan applications will be evaluated by a committee using a blind review process. The review committee is headed by the State Fire Marshal (or his designee), who serves as the chairman. Members of the committee include three fire chiefs (one from a volunteer fire department and one from a combination department, one from a career/municipal fire department), one representative from the Associated Firefighters of Illinois, one representative from the Illinois Association of Fire Protection Districts, one member of a volunteer fire department, and two representatives from the banking community (one from the Community Bankers Association of Illinois and one from the Illinois Bankers Association). Additionally, a representative of the Illinois Finance Authority sits on the committee as a non-voting member.

In its evaluation, the committee looks at equipment need, financial need and if the applicant has received prior loans under this program. The committee will also determine if it believes an applicant has sufficient resources to repay the loan. The committee will rank applications and, based on available funding, will forward the highest ranking applications to the Illinois Finance Authority who will conduct a final review of the applicant's creditworthiness. Applicants that rank the highest and are deemed to be creditworthy will be offered loans.

Applicants that are denied loans may request that their loan application be reconsidered. Requests for reconsideration must be filed within 30 days of the postmark on the letter of denial and should be submitted to:

Office of the Illinois State Fire Marshal
Fire Truck Revolving Loan Program
1035 Stevenson Drive
Springfield, Illinois 62703

³ Brush truck is defined as a pickup chassis with a flatbed or pickup box. The truck must be rated by the manufacturer as between three-fourths of a ton and one ton and outfitted with a fire or rescue apparatus.

Application Documentation

In addition to the application several supplemental documents are required as part of the application evaluation process. Those documents include:

- Copies of mutual aid agreements with other entities (if applicable)
- Proof of origin of assembly of the chassis and apparatus if purchasing a Brush Truck
- Copies of the ordinance or resolution that identifies the revenue source or sources to be used to repay the loan
- If using a tax levy to repay the loan, copies of the tax levy or a signed letter confirming the timing of the proposed levy (a final copy of the levy must be provided when passed)
- Current year operating budget and interim financial statements for the most recent month available
- Comparison of budget versus actual financial results for the most recent 3 years (if applicable)
- Most recent bank statement
- Copies of the most recent 3 years of annual financial reports
- Copies of the most recent 3 annual reports (if applicable)
- Title to the truck (when available)
- Copies of existing liens on the truck being purchased (if applicable)
- Certification that the truck meets required NFPA standards
- Copies of performance tests for the truck being purchased
- Photographs of the truck being purchased

Recipient Responsibilities

- Loan funds may only be used for the purchase of equipment outlined in the loan application, or to pay off a loan that was obtained no more than one year prior to the receipt of a loan under the program (loan payoff must be for the equipment purchase approved in the loan application).
- Equipment purchased through this program may not be given to, loaned to, transferred to, leased to, or sold to any person or entity that is not eligible to participate in the loan program as an applicant.
- Fire trucks purchased with proceeds from this program are to be insured for the life of the loan, with the State of Illinois Fire Truck Revolving Loan Program listed as the loss payee.

- Established procurement processes must be followed when purchasing fire trucks with loan funds. If you do not have established processes you should obtain at least 2 quotes or bids and document the process in your loan files.
- Loan files and supporting documentation must be kept for the term of the loan and retained for 3 years after the final payment is made on the loan.
- Information must continue to be provided through the National Fire Incident Reporting System (NFIRS)
- Loan proceeds must be returned if any other funding is received for the same purchase, unless the funds are being used to supplement the purchase being made with loan funds. The amount of reimbursement should be equal to the amount of other funding received for the same purchase.
- If you default on your loan, the program's loan agreement stipulates that the state will intercept funds from other state sources that are due to you in order to satisfy your loan payments.