

FAQs addressing the impact of supply chain-related delays on closing and funding Fire Truck and Ambulance Loans (Program Loans):

1. When can I close and fund my Program Loan?

- a. Subject to prior OSFM approval and IFA credit approval, each Borrower may choose when they close and fund their Program Loan based on satisfying the applicable requirements set forth under the Fire Truck and Ambulance Revolving Loan Programs and in the applicable Fire Truck (or Ambulance) Loan Agreement between the Borrower and IFA.
- b. Fire Truck and Ambulance Loans that satisfy the requirements, as set forth, may close and fund at the following times:
 - (1) In advance of the equipment purchase, (subject to conditions set forth in the Loan Agreement between the Borrower and IFA);
 - (2) At the time of the equipment delivery; or
 - (3) To refinance an existing interim loan previously obtained by the Borrower (typically not obtained until delivery of the public safety vehicle/apparatus) which such interim loan closing and funding shall not occur more than one year prior to the date on which the Fire Truck or Ambulance Revolving Loan Fund Loan closes and funds. (Note: The Loan Programs stipulate that a Program Loan may not be used to provide permanent (i.e., take-out) financing for the purchase of a fire truck, brush truck, or ambulance if an existing Borrower Loan to be refinanced with the Program Loan was funded more than exactly one year from the date of closing/funding the Program Loan.)
 - *If you think that this situation may apply to your application, please contact the OSFM.*

2. When do scheduled Fire Truck and Ambulance Revolving Loan Fund (Program Loan) payments begin?

- a. Each Borrower's Loan repayment obligation and repayment schedule is solely determined by the Loan Funding Date (i.e., also the "loan closing date") – which is set irrespective of the delivery date of the Fire Truck or Ambulance. **The Loan Funding Date solely determines each Borrower's Repayment Schedule as described below (see "2c" below).**
- b. November 1st is the annual loan repayment date applicable for all Fire Truck and Ambulance Loans (Illinois Administrative Code 1100.825(e)(1)).
- c. The Loan Funding Date determines the applicable Initial Payment Date for all Fire Truck and Ambulance Loans as follows (as determined pursuant to Illinois Administrative Code 1100.825(b)):
 - I. If the Loan Funding Date is less than or equal to 180 days prior to November 1st of a given year (between May 5th and November 1st, inclusive), the Initial Payment Date will be November 1st of the following calendar year (pursuant to Illinois Administrative Code 1100.825(e)(1)(a)).
 - a) Example 1(a): If the Loan Funding Date were May 5, 2023 (or any date subsequent to November 1, 2023), when would the Initial Payment Date be? Answer: The Initial Payment Date would be November 1, 2024.

- b) Example 1(b): If the Loan Funding Date were October 1, 2024, when would the Initial Payment Date be? Answer: The Initial Payment Date would be November 1, 2025.
- II. If the Loan Funding Date is more than 180 days prior to November 1st of the current calendar year (prior to May 4th of the current calendar year - and on or after November 2nd of the preceding calendar year), the Initial Payment Date will be the immediately subsequent November 1st (pursuant to Illinois Administrative Code 1100.825(e)(1)(b)).
- a) Example 2(a): If the Loan Funding Date were December 1, 2023 (or any date prior to May 4, 2024), when would the Initial Payment Date be? Answer: The Initial Payment Date would be November 1, 2024.
- b) Example 2(b): If the Loan Funding Date were January 1, 2025, when would the Initial Payment Date be? Answer: The Initial Payment Date would be November 1, 2025.
- b. As a result of Supply Chain delays, would it be possible that my debt repayment obligation for the Program Loan could begin prior to delivery of the Fire Truck or Ambulance? Answer: Yes. Again, each Borrower's repayment obligation is solely determined by the date on which the Borrower chooses to close and fund their Program Loan following credit approval.
3. **For Investment Grade rated Borrowers (defined below) or Borrowers seeking to finance the purchase of "Brush Trucks" (defined below) who have low-interest Program Loans, rather than zero-interest Program Loans:**
- a. When do my payments begin and how does my loan interest accrue if I am a Borrower/Applicant who does not qualify for a zero-interest loan (i.e., I am a Borrower with (1) an investment grade rating (*see Definition 1 below*) and/or (2) I am a borrower purchasing a "brush truck" (*see Definition 2 below*), for which the IFA Act specifies the following interest rates: (a) a 0% interest rate (i.e., if both the brush truck chassis and apparatus are built in Illinois); (b) a 1% interest rate (i.e., if either the brush truck chassis or apparatus are built in Illinois), or (c) a 2% interest rate (i.e., if both the brush truck chassis and apparatus are built outside Illinois)? Answer: Interest begins accruing on any interest-bearing Fire Truck and Ambulance Loan as of the Loan Funding Date. Additionally, any investment grade borrower purchasing brush trucks shall pay the interest rate on the brush trucks as set forth in the IFA Act (i.e., based on where the chassis and apparatus are built).
- **Definition 1 - "Investment Grade Rated Borrower"**: An Investment Grade Rated Borrower has been assigned (as of the date of application review) long-term investment grade credit ratings from one or more municipal bond rating companies (i.e., at or above the following ratings from one or more of the following 'Baa3' (Moody's) or at the 'BBB-' level from S&P; Fitch; or KRBA/Kroll).
 - **Definition 2 - "Brush Truck"**: A "brush truck" is defined under the IFA Act (20 ILCS 3501/825-80 (a-5)) and means: (1) a truck with a pickup chassis with or equipped with a flatbed or a pickup box; (2) a truck that is rated by the manufacturer as between three-fourths of a ton and one ton; and, (3) a truck that is outfitted with a fire or rescue apparatus.