



Delaware Volunteer Fire Service Revolving Loan Fund

Program Guidelines

The Delaware Volunteer Fire Service Revolving Loan Fund was established to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue, emergency medical and technical emergency response related service to Delaware communities. Loan funds are limited and are not available for equipment that has already been delivered or for the expansion of facilities including parking that has already been completed. For consideration, equipment and expansions must be deemed necessary to provide adequate fire, rescue and emergency medical and technical emergency response services to the surrounding community by the Delaware Council on Volunteer Fire Service.

The Delaware Council on Volunteer Fire Service (the "Council") is comprised of the President of the Delaware Volunteer Firefighters's Association, the Chairman of the State Fire Prevention Commission, three members, one each appointed by the Presidents of the New Castle, Kent and Sussex County Firemen's Associations, the State Treasurer and the Secretary of Finance.

The Council will approve loan applications based on the availability of funds and criteria that assess the relative needs for fire service and loan assistance throughout the State. The criteria include financial need, age and condition of existing equipment and the demographic, geographic and financial conditions of the communities served. The loan fund should not be considered an organization's sole source of funding.

1. Who May Apply?

1.1. All volunteer fire, rescue and emergency medical service companies located in the State of Delaware.

2. Guidelines for Apparatus and Equipment Loans

2.1 The purchase of new and used apparatus will be considered, provided new and used apparatus pass all Federal, State, and/or county certifications. For all apparatus and equipment requests, applicant should include product specifications.

2.2 Loan funds are available to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue, emergency medical and technical emergency response related service to Delaware communities and shall not be made available for equipment that has already been ordered.

2.3 Interest will be fixed at the rate of 2.0%. Repayment schedules will have semi-annual payments, unless annual payments are specifically approved by the Council. All payments will be due June 1st and December 1st. All payments must be made via ACH as outlined in the promissory note.

2.4 Maximum loan amount and term:

	Maximum Loan	Maximum Term*
Apparatus (New) i.e., rescue, pumpers, tankers	\$600,000 or 60% (whichever is less)	10 years
Heavy Rescue	\$750,000 or 60% (whichever is less)	10 years
Aerial i.e., Tower trucks or Quints	\$1,000,000 or 60% (whichever is less)	10 years
Light Duty Vehicles i.e., brush trucks, fire police vehicles, command vehicles, 12 to 15 passenger utility vans	\$150,000 or 60% (whichever is less)	5 years
Apparatus (Used)	\$125,000 or 60% (whichever is less)	5 years
Ambulances	\$225,000 or 75% (whichever is less)	5 years
Water Craft Rescue	\$75,000 or 60% (whichever is less)	5 years

Rehabilitation	\$100,000 or 60% (whichever is less)	5 years
Equipment i.e., breathing apparatus, SCBA's, radios, turnout gear	\$275,000 (once per 10-year period)	5 years
Smaller Equipment for Apparatus	\$75,000 (once per 5-year period)	5 years

*or the actual anticipated useful life of the asset, whichever is less.

3. Guidelines for Facility Loans

3.1 Applications will be considered for establishing or renovating facilities that house fire fighting and rescue equipment, and emergency medical and technical emergency response services.

3.2 Proceeds of the loan shall be used only for construction and shall not be used for land acquisition, payment of fees for design, planning and preparation of application or any other cost not directly attributable to construction.

3.3 The applicant shall present an estimated construction cost for the project from a reliable engineering or architectural firm. A new or renovated facility must meet all requirements and codes of the Federal, State and local jurisdiction, included local firemen's association standards.

3.4 Interest will be fixed at the rate of 2.0%. Repayment schedules will have semi-annual or annual payments. Annual payments will be due June 1st; semi-annual payments will be due June 1st and December 1st. Payments must be made via ACH as outlined in the promissory note.

3.5 Maximum loan amount and term:

Facility	\$250,000 or 50% (whichever is less)	10 years
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4. Guidelines for Loan application process

4.1 All applications must be prepared in accordance with Delaware Council on Volunteer Fire Service guidelines. Failure to comply with Council guidelines may be cause for rejection of the application. The Council may reserve the right to correct minor errors or irregularities in the application.

4.2 An original application must be provided to the Council, including copies of the Annual Statements (as delivered to the Delaware State Fire Prevention Commission) for the two most recent fiscal years and the audited financial statement immediately prior to the fiscal year in which the application is made.

4.3 Each applicant must submit an accepted bid or signed agreement for the apparatus being purchased which clearly specifies the anticipated delivery date of the apparatus

4.4 Each applicant must submit an inventory of equipment and fleet of vehicles.

4.5 Applicant must submit the application package to:

DCVFSRevolvingLoanFund@delaware.gov

To the extent materials are not able to be transmitted electronically, they should be mailed to:

State of Delaware
Department of Finance, Office of the Secretary
820 N. French Street, 8th floor
Wilmington, Delaware 19801

A COMPLETE Loan Application Paackage consists of

- i. Completed Application, includes:
 - a. Application Form
 - b. Company's Resolution to Borrow
 - c. List of Officers
 - d. Company's Inventory List
- ii. Most recent accountant-prepared financial statement
- iii. Company's last two financial summaries as submitted to State Fire Prevention Commission
- iv. Documentation regarding the apparatus/equipment being purchased, including cost, and delivery date (or estimate and plan as applicable for Facility Loans).

4.6 In addition to financial statements submitted with the application, applicants must agree to supply annual financial statements, as may be required.

4.7 A representative from the Ccompany will be required to be available and prepared to answer questions about the apparatus or facility to be financed as well as financial operations related to the applicant's Company. Additionally, a Company officer must be available to sign a promissory note at the time the loan is received by the Company.

4.8 Applications are valid for 12 months from the time the application was submitted, unless otherwise determined by the Council.

4.9 Within 12 months of the time the loan was granted, the volunteer Company must submit documentation to the Council reflecting the actual expenditures of the loan proceeds and any interest earned while loan funds remained unspent.

4.10 Unspent interest earnings must be either (a) used toward the purchased equipment, or (b) be remitted back to the Revolving Fund – they may NOT be reverted to the Company’s General Fund or for any other purpose.

4.11 Applicant must agree via promissory note to make loan payments via the State of Delaware’s ACH facility, which can be found here: <https://www.velocitypayment.com/client/delaware/finance/index.html>. Loan payments will not be accepted via paper check.

5. Prioritization of Loan requests

5.1 It is the intent of the Council to manage the fund in a prudent and fiscally responsible manner and to extend loans to companies that can demonstrate the ability to repay the loan in accordance with its terms. Within that context, the priority for receiving loans will be established based on the criteria set forth below and the availability of funds.

5.1.1 New ambulances will have the highest priority, followed by vehicles and apparatus, then new equipment, renovations or rehabilitations of apparatus or equipment, and facility improvements.

5.1.2 Priority will be given to funding most immediate equipment deliveries.

5.1.3 Further, priority consideration will be given to those companies demonstrating the greatest need considering financial need, age and condition of existing equipment and apparatus and demographic, geographic and financial conditions of the communities served.

5.1.4 The Council would also consider refinancing to prevent an event of default.

5.1.5 The Council will review these Prioritization Guidelines annually.

6. Loan Review and Approval Process

6.1 Applications may be submitted at any time and will be considered by the Council on a quarterly basis coincident with the schedule for meetings of the Executive Committee of the Delaware Volunteer Firefighter’s Association.

6.2 Applications received less than 21 calendar days before a regularly scheduled meeting will be presented for consideration at the following regularly scheduled quarterly meeting.

6.3 The Council shall review each loan request received from an applicant in accordance with the stated criteria.

6.4 Applicants will be notified of loan approvals by the Council. In addition, companies will be notified of any further requirements for loan closing.

7. Event of Default on Loans

7.1 The Council will follow prudent underwriting standards when considering a loan. In lieu of property and equipment liens, the Council may withhold future state funding including payments from insurance premium taxes and grant-in-aid funding.

7.2 Any volunteer fire, rescue and emergency medical service company awarded a loan through the Delaware Volunteer Fire Service Revolving Loan Fund should consider the purchase of a performance bond to protect against financial loss should an equipment or construction contractor default, or fail to deliver equipment, according to the terms of the contract.

7.3 Regardless of the maximum loan term set forth in Section 2.4, loan requests should not exceed the reasonable/anticipated service life of the asset.

7.4 Should a company be unable to make its loan payments in a timely manner, the company officers are required to notify the Council as soon as possible.