

STATE OF ALASKA
BULK FUEL REVOLVING LOAN
PROGRAM
(AS 42.45.250)
Loan Application

Division of Community and Regional Affairs
550 W. 7th Avenue, Suite 1640
Anchorage, AK 99501

Email: bulkfuel@alaska.gov

Phone: (907) 269-4547
Fax: (907) 269-4563

BULK FUEL REVOLVING LOAN PROGRAM INFORMATION

LOAN PURPOSES

Loans may be made to assist communities in purchasing bulk fuel oil, gasoline or biomass, including the shipping costs of the fuel to the community.

ELIGIBILITY

Loans may be made to a municipality or unincorporated village with a population under 2,000, or a private individual or company retailing fuel or electricity in such a community. Determination of eligibility will be evaluated on an individual basis by the State of Alaska Department of Commerce, Community, and Economic Development (DCCED), Division of Community and Regional Affairs (DCRA).

Two separate loan accounts are established within the Bulk Fuel Revolving Loan Fund (1) the bulk fuel loan account and, (2) the bulk fuel bridge loan account.

The Division shall make loans from the bulk fuel loan account or the bulk fuel bridge loan account as provided in AS 42.45.250-42.45.299.

INTEREST RATE

Interest shall be charged on a bulk fuel loan or bulk fuel bridge loan at a base rate of four percent except as provided by AS 42.45.280(b) and (c);

- 1) First time borrowers of a bulk fuel bridge loan shall be charged zero percent; second and subsequent bridge loans shall be charged at the base rate of four percent.
- 2) For recipients of bulk fuel loans, interest rates will be determined by the Division based on the borrower's repayment history and other criteria. The interest may be reduced by one percent for borrowers with at least one previous bulk fuel loan or two percent for a borrower with two or more previous bulk fuel loans made by the Division.

LOAN TERMS

Approved loans are payable in nine equal monthly payments and must be repaid during that term unless an alternate payment schedule has been approved by the DCRA. Shorter terms may be required in special circumstances as determined by the DCRA. All loans must be paid within one year from date of disbursement. The amount of the loan, added to the amounts of all other bulk fuel revolving loan principle balances to the same borrower may not exceed \$750,000. A cooperative organization representing more than one community may qualify for a maximum loan amount not to exceed \$1.8 million.

COLLATERAL

Borrowers may be required to secure a bulk fuel revolving loan by submitting a resolution adopted by the governing body with payments from the State of Alaska for funds provided by Community Assistance Program, Payment in Lieu of Taxes (PILT), Power Cost Equalization (PCE), or other programs to the Bulk Fuel Revolving Loan Program.

LOAN APPROVAL

No loan will be granted without approval of the State of Alaska DCRA.

Submit all loan applications to:

Division of Community and Regional Affairs
Bulk Fuel Revolving Loan Program
550 W. 7th Ave., Suite 1650
Anchorage, Alaska 99501

Telephone Number: (907) 269-4547
Fax to: 907-269-4539
Email to: bulkfuel@alaska.gov

BULK FUEL REVOLVING LOAN PROGRAM CHECKLIST

Use this checklist to ensure that all required information is complete. Incomplete applications will be inactivated after 30 days. Retain a copy of the application for your records.

- Letter of Intent – Fuel: (pages 5 & 6). Complete page 5 Section 1 USE OF LOAN FUNDS. Describe in detail the type of bulk fuel supplies the loan will be used for and the volumes being requested. Describe WHY a loan is needed and any contribution that can be made by the community towards purchasing sufficient fuel.
- Letter of Intent – Biomass: (pages 5 & 7). Complete page 5 Section 1 USE OF LOAN FUNDS. Describe in detail the type of biomass fuel supplies the loan will be used for and the volumes being requested. Describe WHY a loan is needed and any contribution that can be made by the community towards purchasing sufficient fuel.
- Application for a Bulk Fuel Revolving Loan: Make sure that the form is complete, signed, and accurate, (pages 8 & 9). BORROWER (Entity name) must match business license and be consistent throughout application. The box indicating “I/We hereby apply for a loan not to exceed \$ _____” should be the same amount requested on page 5 Section 1 – Total Loan Request. Make sure ALL questions are answered completely. Copies are accepted for evaluation only. Original, signed applications must be submitted to the DCRA.
- Loan Agreement and Promissory Note (pages 10-12). Must be complete and signed by the person authorized by the Borrower Resolution (page 14). The borrower is to complete all sections **except Section 6 page 11**, that portion will be completed by the DCRA at closing. The loan amounts should be the same as the amount requested on page 5 Section 1 – Total Loan Request and on page 8 - the box indicating” I/We hereby apply for a loan not to exceed \$ _____”.
- The Waiver of Sovereign Immunity Resolution (page 13). Is required only if the borrower is a Traditional or IRA Village Council.
- Borrower Resolution (page 14): Is required and should be signed by the community or corporate borrowers approving the application for a bulk fuel loan, on a form provided by the DCRA.
- Written Endorsement: Required for an borrower that is a PRIVATE INDIVIDUAL OR CORPORATION. This endorsement letter must be signed by the recognized GOVERNING BODY of the community for which the fuel supplies will be used. The endorsement letter must be submitted on the COMMUNITY'S letterhead.
- Financial Statements: ALL borrowers are REQUIRED to submit financial information. This information is VERY important to determine the borrower's ability to repay the loan. The financial statement MUST be one of the following:
 - a. Income Statement in cash basis, showing borrower's revenues and expenditures for the most *recent* fiscal year (information provided may *not* be more than one year old).
 - b. Balance Sheet in cash basis, showing borrower's assets and liabilities at the end of most *recent* fiscal year. If using QuickBooks accounting system these reports should be in CASH Basis not ACCRUAL.
 - c. If an income statement and balance sheet are not available, a copy of the borrower's complete Federal Income Tax return (less than 2 years old) may substitute.
 - d. If the borrower has neither financial statements, nor Federal Income Tax returns, an explanation of how the borrower manages its finances must be included.

NOTE: Payroll tax returns, check registers, and bank statements are NOT acceptable substitutes.
- Complete the attached Automatic Payment Authorization. Loan payments will be automatically processed on the first working day of each month for the term of the loan.
- Copy of the Fuel Quote from Fuel Provider. (If available)
- Complete Auto Payment Authorization (Optional)

**BULK FUEL REVOLVING LOAN FUND
LETTER OF INTENT**

BORROWER (*Entity name*) _____

I. USE OF LOAN FUNDS: (Check appropriate box and fill in loan amount)

Purchase Bulk Fuel \$ _____

Fuel Transportation \$ _____

Other \$ _____

Total Loan Request \$ _____

II. WHERE/HOW WILL FUEL BE USED; WHY DOES YOUR COMMUNITY NEED LOAN TO PURCHASE FUEL? Check all boxes that apply.

Electric Power Generator (for sales to public)

Public Heavy Equipment

Heating Fuel (Public Facility Use)

Heating Fuel (Residential/Business Use)

Motor Vehicles (Public Use)

Motor Vehicles (Residents/Businesses)

Other (Describe): _____

III. WHY IS A LOAN REQUIRED?

IV. WHAT REVENUE SOURCE WILL YOU USE TO REPAY THIS LOAN, IF APPROVED?

COMPLETE THIS PAGE IF REQUESTING LOAN FOR PETROLEUM FUEL PURCHASES

RESALE PRICE OF FUEL

Do you provide fuel directly to local residents and businesses? Yes No

If yes, do you charge users for fuel you provide? Yes No

COMPLETE INFORMATION BELOW IF YOU ANSWERED ‘YES’ TO THE RESALE PRICE OF FUEL QUESTIONS

DIESEL FUEL:

Costs included in per gallon charge:

Fuel cost (from fuel vendor): \$ _____ /gallon
(fuel cost including taxes and delivery to community)

• Delivery to community: \$ _____ /gallon (if paid separately)

• Local delivery charge: \$ _____ /gallon (pumping charge)

• Other costs (if any, or mark-up) \$ _____ /gallon

TOTAL PRICE CHARGED FOR DIESEL: \$ /gallon at retail pump

MOTOR FUEL: (Gasoline):

Costs included in per gallon charge:

• Fuel cost: (from fuel vendor): \$ _____ /gallon
(fuel cost including taxes and delivery to community)

• Delivery to community: \$ _____ /gallon (if paid separately)

• Local delivery charge: \$ _____ /gallon (pumping charge)

• Other costs (if any, or mark-up): \$ _____ /gallon

TOTAL PRICE CHARGED FOR MOTOR FUEL: \$ /gallon at retail pump

VI. **Contact Signature:** _____ **Date:** _____

Name (printed/typed): _____ **Title:** _____

COMPLETE THIS PAGE IF REQUESTING LOAN FOR BIOMASS PURCHASES

RESALE PRICE OF BIOMASS FUEL

Do you provide biomass fuel directly to local residents and businesses? Yes No

If yes, do you charge users for biomass fuel you provide? Yes No

COMPLETE INFORMATION BELOW IF YOU ANSWERED 'YES' TO THE RESALE PRICE OF BIOMASS QUESTIONS

BIOMASS FUEL:

Costs included in per unit charge:

- Fuel cost (from fuel vendor): \$ _____ /unit
(fuel cost including taxes and delivery to community)
- Delivery to community: \$ _____ /unit (if paid separately)
- Local delivery charge: \$ _____ /unit (charge)
- Other costs (if any or mark-up): \$ _____ /unit

TOTAL PRICE CHARGED FOR BIOMASS FUEL:

\$ /unit

Briefly describe the type of biomass product the loan funds are requested for:

Briefly describe the intended use for the biomass product and the estimated revenue profits from the use or resale:

VI. **Contact Signature:** _____ **Date:** _____

Name (printed/typed): _____ **Title:** _____

APPLICATION FOR BULK FUEL REVOLVING LOAN PROGRAM

BORROWER (Entity name):	Current Date:
Email:	
Mailing Address:	Phone:
Street/P.O. Box:	Fax:
City/State:	Zip Code:

Contact Person: Name (Last, First, M.I.)	Title:
	Phone:
Email:	Fax:
Mailing Address:	The contact person is that individual who is authorized to be responsible for the loan on behalf of the community.
Street/P.O. Box:	
City/State:	
Zip Code:	

Community Name:	Population:
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I/We hereby apply for a loan not to exceed \$ _____

BULK FUEL INFORMATION

Type of Fuel Needed	Est. Delivery Date	Quantity	Cost per Gallon/Unit	Transportation	Total Cost
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Capacity of each tank and/ or storage facility used by borrower:		
Owner _____ Heating Oil _____ Gal. Gasoline _____ Gal. Condition of Tanks: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	Owner _____ Heating Oil _____ Gal. Gasoline _____ Gal. Condition of Tanks: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	Owner _____ Heating Oil _____ Gal. Gasoline _____ Gal. Condition of Tanks: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor

Fuel Supply Information:	Heating Oil	Gasoline
When do you usually receive fuel deliveries?	_____	_____
How is the fuel delivered?	_____	_____

APPLICATION FOR BULK REVOLVING LOAN PROGRAM, *Continued*

Name of Fuel Supplier:	
Contact Name:	
Email:	
Mailing Address:	Phone:
P.O. Box:	Fax:
City/State:	Zip:

How have you financed your bulk fuel purchases for the past three years? <hr/> <hr/> <hr/>

Have you had any previous Bulk Fuel Loans from the State of Alaska?	Yes ___ No ___
If yes, complete the following section:	

Date	Loan in Name of	Amount	Current Balance

I certify under penalty of perjury that all of the information contained in this application and any attachments to are true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to \$100,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

I agree that if any information contained in this application and attachments is false, inaccurate or incomplete, the Division of Community and Regional Affairs will not accept the application as complete and may deny approval of the application. I also agree that if I receive a loan based on this application and attachments and any information contained in this application and attachments is later determined to be false, inaccurate or incomplete, then the loan will be canceled, and I will be immediately liable to repay the total I owe.

Upon providing notice that the loan has been approved, I authorize the Division of Community and Regional Affairs to contact our fuel vendor and authorize our fuel vendor to disseminate information to DCRA, including but not limited to, amount and terms of any monies owing, information on financing of any portion of current fuel order contemplated under this application, and additionally authorize our fuel vendor to deliver to DCRA, a fully executed copy of any written agreements, including all attachments and/or exhibits, that may exist between borrower and fuel vendor.

(Date)

(Contact Signature)

(Title)

**BULK FUEL REVOLVING LOAN FUND
AGREEMENT AND PROMISSORY NOTE**

(AS 42.45.250)

(Page 1 of 3)

This agreement and promissory note is made this _____ day of _____, 20__, by and between the State of Alaska ("Lender") and _____ ("Borrower").

1. The Lender, subject to the terms and conditions set forth in this agreement, agrees to loan an amount of money not to exceed \$ _____ to Borrower to enable it to purchase bulk fuel to generate power or supply the public with fuel for use in the community of _____.
2. Borrower agrees the loan proceeds will be used only for purchasing fuel and paying for the necessary transportation costs of the fuel to the community of _____. Borrower agrees the loan proceeds may not be used to make a profit, unless the profit is used to purchase additional community fuel supplies. Borrower further agrees that it will obtain approval for the transportation costs from Lender before incurring those costs.
3. Borrower agrees that the proceeds of the loan will not be used to purchase any product except bulk fuel (including cost of transportation).
4. Borrower further agrees that, before the Lender loans money to the Borrower under this Agreement:
 - (a) The Borrower will provide information satisfactory in content and quality to the Lender on the following:
 - (1) The reason for the fuel shortage or need for assistance; and
 - (2) The types of fuel and the quantity of fuel required.
 - (b) The Borrower will submit to the Lender information about the shortage of fuel, the bulk storage available for fuel, the proposed resale cost of the fuel in the community, and other fuel-related information requested by the Lender.
 - (c) The Borrower will submit to the Lender a resolution of the governing body of the community, or its board of directors, as appropriate, on the form attached, authorizing the Borrower to enter into and execute this Loan Agreement and Promissory Note evidencing the loan and such other documents as the Lender may require. The resolution will authorize the Borrower to borrow from the Lender an amount not to exceed \$ _____ plus interest not to exceed four percent and will further authorize completion of this Loan Agreement and Promissory Note by the DCRA.
5. The Borrower hereby authorizes the Lender to fill in the blanks of the Loan Agreement and Promissory Note with:
 - (1) The amount of the principal sum once that amount is determined, in an amount not to exceed \$ _____ and
 - (2) With the interest rate for the loan, if any, once that amount is determined, in an amount not to exceed four percent.

Lender may modify the terms of the Loan Agreement and Promissory Note, without the written consent of the Borrower, to accommodate additional advances under the agreed upon amount, however such advances will not exceed the maximum amount as stated in the Loan Agreement and Promissory Note. The Lender will send to the Borrower, by certified mail with return receipt requested, a copy of the completed Loan Agreement and Promissory Note.

**BULK FUEL REVOLVING LOAN FUND
AGREEMENT AND PROMISSORY NOTE**

(AS 42.45.250)

(Page 2 of 3)

6. For value received, the Borrower _____ promises to pay to the order of the State of Alaska the principal sum of an amount not to exceed \$ _____ **(to be completed by DCRA) plus interest in the amount of _____ % per annum**, accrual to begin at date of disbursement. Loan funds may be disbursed multiple times to pay invoices for fuel and delivery; the principal and interest shall be due and payable in nine (9) equal installments for each disbursement of loan funds unless a different payment schedule has been agreed to by the parties. The Undersigned hereby waives demand, protest, and notice of demand, protest of non-payment, and expressly agrees that this Note or any payment hereunder may be extended from time to time, and consents to the acceptance of security or further security, including other types of security, all without releasing the liability of the Borrower in any way.
7. The Borrower agrees to secure this loan with its fuel revenues and other legally available monies. This may include, but is not limited to payments from the State of Alaska for funds provided by Community Assistance Program, Payment in Lieu of Taxes (PILT), Power Cost Equalization (PCE), or other programs to the Bulk Fuel Revolving Loan Program.
8. The Borrower agrees that if any payment is more than 30 days late, the Lender is authorized to have the State of Alaska or the Borough in which the borrower is located pay any monies due to the Borrower directly to the Bulk Fuel Revolving Loan Fund, up to the amount of the outstanding balance.
9. The Borrower agrees to repay the loan over a period of no longer than nine months pursuant to the terms of the Agreement and Promissory Note, to provide the collateral for the loan that the Lender may require, and to execute documents and to take action as the Lender may require in connection with the loan and the securing of the loan with collateral.
10. Under this Agreement, if a payment is not received by the State of Alaska when due (a "default") and if the payment is not made prior to the due date of the next payment, the entire unpaid sum shall at once become due and payable at the option of the Lender. Failure to exercise this option shall not constitute a waiver of the right to exercise the same option in the event of any subsequent default. If any suit or action is instituted to collect under this Agreement, the Borrower promises and agrees to pay, in addition to the costs and disbursements provided by statute, a reasonable sum as attorney fees in such suit or action.
11. The Borrower agrees that no person or persons shall, on the grounds of race, creed, color or national origin, be excluded from participation in, be denied the proceeds of, or be subject to discrimination in the use of this loan.
12. This Agreement and Promissory Note shall be governed by the laws of the State of Alaska. All disputes or claims arising under this agreement will be brought in the Superior Court, State of Alaska, Third Judicial District at Anchorage.
13. The Parties hereto have executed this Loan Agreement and Promissory Note as of the date above written.

BULK FUEL REVOLVING LOAN FUND
BORROWER RESOLUTION AUTHORIZING LOAN
(AS 42.45.250)

RESOLUTION NO. _____ DATE _____

BE IT RESOLVED, that _____ (Borrower) is authorized to borrow from the State of Alaska, for the purpose of purchasing bulk fuel, a principal sum not to exceed \$ _____ with annual interest not to exceed four percent and the following named person _____

(Signer on page 12)

is authorized to execute any and all documents that may be required by the State of Alaska to reflect that indebtedness, the terms of its repayment, and any security therefore, including but not limited to a Loan Agreement and Promissory Note (whose principal sum and interest the DCRA is authorized to complete upon determination of the principal sum, and interest, if any, of the loan).

The foregoing resolution was adopted at a duly convened meeting of _____ (name of borrower):

On _____ day of _____ 20____,

(Authorized Signature)
(NOT Signer on page 12)

(Title)

STATE OF ALASKA)
) SS.
_____ JUDICIAL DISTRICT)

This instrument was acknowledged before me this _____ day of _____ 20____
By _____ (name of person signing above), the _____ (title) of
_____ (*borrower name*) on its behalf, with its authority, and as a free act.

Notary Public, State of Alaska
My Commission Expires _____

Division of Investments
Department of Commerce, Community, and Economic Development PO Box 110802
Juneau, AK 99811-0802
Phone: (907) 465-2510 or (800) 478-LOAN (5626) in Alaska
Fax: (907) 465-2103

Auto Payment Authorization

Borrower Information

(All Borrower Information is REQUIRED unless so stated)

Borrower (Entity name)	Social Security (Last 4) or Tax ID Number	Loan Number
Mailing Address	Home Phone Number	Work Phone Number (optional)
City State Zip Code	Email Address (optional)	Cell Phone Number (optional)

Would you like to receive a payment confirmation email sent to the address above? YES NO

Financial Institution Information

- Personal Checking Account – **You MUST attach a VOIDED check**
- Joint Checking Account – **You MUST attach a VOIDED check**
- Personal Savings Account – Please verify Transit Routing Number and Account Number with your financial institution.
- Joint Savings Account - Please verify Transit Routing Number and Account Number with your financial institution.

Financial Institution:	
Street Name:	
City/State/Zip Code:	Account Name:(as it appears on the account)
Transit Routing Number:	Account Number:

Payment Amount Options

Your payment will be debited on the first business day of month that the payment is due.

- Regular Payment
- Fixed Amount \$ _____
- Regular payment + principle reduction of \$ _____

If a transaction is returned as insufficient funds (NSF) you will be assessed a \$25.00 NSF fee. You will be required to remit the payment and NSF fee via check. If the payment and NSF fee are not received by the late fee date you will also be assessed a late fee and lose your Pay-on-Time qualification status. In addition, you will be removed from the Autopay program and will be required to submit another application should you wish to be reinstated.

Authorization

The undersigned hereby authorize(s) and direct(s) the Division of Investments to initiate debit entries to the deposit account of the undersigned identified above; and authorize(s) and direct(s) the financial institution maintaining the deposit account to permit withdrawal of available credit in accordance with debit entries initiated by the division pursuant to this AUTO PAYMENT AUTHORIZATION. The undersigned also understands that the division will initiate debit entries in the amount indicated above on the first business day of the month(s) for which this authorization authorizes a debit. The undersigned also understands(s) that this authorization remains in effect until such time that the division is notified in writing that this authorization is rescinded, or the division notifies the undersigned in writing that the authorization is being rescinded or the loan is closed.

Authorized Signature	Date
Authorized Signature	Date

-- DIVISION OF INVESTMENTS PROCESSING ONLY -- Do not write below this line.

Processed By:	Date Processed:
Confirmation Sent Date:	