



## RURAL BUDGETS ADMINISTRATION COMMITTEE FAIR SHARE POLICIES

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### RURAL LOAN FUND

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The Rural Budgets Administration Committee may utilize the Infrastructure Service grant (\$3.5 million) provided by the Province of BC in March 2005 as a rural loan fund as follows:

- a) to loan dollars to rural infrastructure projects owned by the Regional District where a service area is currently established;
- b) to loan dollars to member municipalities for infrastructure projects that will benefit rural residents where a service area is currently established; or
- c) to loan dollars to registered non-profit societies for rural infrastructure projects.

#### **Application for Loan:**

- a) the applicant (including the Regional District, member municipality and non-profit society) must provide a feasibility study that outlines the project and estimated costs; and
- b) non-profit societies must also provide a business case including annual financial statements, a cash flow forecast, and a detailed explanation of how the loan will be repaid.

#### **Interest Rate:**

All loans will be charged a rate of one percent (1%) above the interest earned rate at time of the loan (to offset the loss of interest revenue).

#### **Repayment of Loans:**

Loans must be repaid by one of the following methods:

- a) through repaying the loan bank over time from the service function taxation or service fees;  
or
- b) by payment as set out in a formal loan agreement with the recipient non-profit society.