

2016

**Fire Fighting Equipment
Revolving Loan Fund**

Rules and Application

Application Period:

March 14 - April 29, 2016

For additional information, contact:

Fire Service Training Bureau

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Fire Fighting Equipment Revolving Loan Fund

661—55.201(80GA,Ch177) Fire fighting equipment revolving loan fund. There is established in the fire service training bureau in the fire marshal division the fire fighting equipment revolving loan fund.

661—55.202(80GA,Ch177) Purpose and scope. The fire fighting equipment revolving loan fund is established to assist local fire departments to complete purchase or repairs of equipment used in the performance of the department's fire fighting duties, when the acquisition or repair of such equipment would be impractical in the absence of assistance from the fund. Each payment of funds from the fund to a local fire department shall be a loan awarded in compliance with rules 661—55.201(80GA,Ch177) through 661—55.207(80GA,Ch177) and shall be for the specific purpose established in a contract entered into between the department of public safety and either the local fire department receiving the funds; or the city, county, or township of which the fire department is a part; or another legal entity authorized to enter into legally binding commitments on behalf of the fire department.

661—55.203(80GA,Ch177) Definitions. For purposes of rules 661—55.201(80GA,Ch177) through 661-55.207(80GA,Ch177), the following definitions apply:

“Default” or “in default” means that more than one payment on a loan is currently due.

“Local fire department” means a paid, volunteer, or combination fire protection service provided by a benefited fire district under Iowa Code chapter 357B or by a county, municipality or township, or a private corporate organization that has a valid contract to provide fire protection service for a benefited fire district, county, municipality, township or governmental agency. “Local fire department” does not include a military or private industrial fire department or service.

“NFPA” means the National Fire Protection Association, Batterymarch Park, Quincy, MA 02269. References to the form “NFPA xx,” where “xx” is a number, refer to the NFPA standard or pamphlet of the corresponding number.

“PASS” means personal alert safety system.

“SCBA” means self-contained breathing apparatus.

661—55.204(80GA,Ch177) Application process.

55.204(1) Notice of availability of funds. Whenever funds are available for loans through the fire fighting equipment revolving loan fund, the department shall publish notice of the availability of those funds in the *Iowa Administrative Bulletin* and shall notify fire service organizations, including, but not limited to, the Iowa Firemen’s Association, the Iowa Fire Chiefs Association, and the Iowa Association of Professional Fire Chiefs, of the availability of those funds, the procedure for applying for loans through the program, the deadline for applying for funds, and the provisions of rules 661—55.201(80GA,Ch177) through 661—55.207(80GA,Ch177). All local fire departments in Iowa known to the fire service training bureau shall receive notice by mail or, when available, electronic mail. In addition, notice of availability of funds and the application procedure shall be published on the department’s Web site.

55.204(2) Application. Application for a loan from the fire fighting equipment revolving loan fund shall be made on an application form provided by the fire service training bureau. A completed application shall be submitted to the fire service training bureau by the deadline specified in the notice of availability of public funds and shall include any attached materials required in the instructions provided with the application form.

a. An application form shall be completed by the local fire department. The application shall include contact information, loan amount requested, purpose of the loan, statement of need, and current financial information, and any additional information

specified on the application form or accompanying instructions, and shall be signed by an official authorized to enter into contracts on behalf of the local fire department.

b. In addition to the application, the following information will be required prior to loan approval:

(1) Documentation that the department requesting the loan meets the definition of a “local fire department.”

(2) Financial statements showing income, expenses, assets, liabilities, and sources of income for the department requesting the loan for a three-year period prior to the loan request date.

(3) Verification that the match requirement will be met. A letter from the executive or chief financial officer of the agency funding the match requirement will normally be sufficient.

(4) A copy of the contract, bid specifications, or proposal for purchase of the equipment/apparatus to be purchased with the loan proceeds, or repair work order, if applicable.

55.204(3) Loan application review.

a. The fire marshal, or another staff member of the fire marshal division designated by the fire marshal, and the chief of the fire service training bureau, or another staff member of the fire service training bureau designated by the bureau chief, shall review each application for completeness and compliance with rules 661—55.201(80GA,Ch177) through 661—55.207(80GA,Ch177). The fire marshal may assign additional staff of the fire marshal division to review applications and may request assistance from other employees of the department of public safety in the review process.

b. The state fire service and emergency response council, or a subcommittee of the council established for this purpose, shall serve as an advisory committee to the fire

marshal in the loan application review process, and shall recommend to the fire marshal funding, partial funding, or denial of each application. Recommendations regarding loan applications shall be based upon availability of funds in relation to the total funds requested by eligible applicants, documentation of need for the proposed purchase or repair, and documentation of likely ability of the local fire department applying for a loan to repay the loan.

c. Decisions to award or not to award loans shall be made by the fire marshal.

55.204(4) Appeals. If a local fire department's application is denied or partially funded by the fire marshal, the department may appeal the decision of the fire marshal to the commissioner of public safety using procedures for appeals set out in 661—Chapter 10.

661—55.205(80GA,Ch177) Allowable acquisitions. Loans from the fire fighting equipment revolving loan fund may be used to acquire the following equipment or repair services with the limitations indicated:

1. Firefighting apparatus, including pumpers, tankers, ladder trucks, hazardous materials emergency response vehicles, or rescue vehicles. Any apparatus obtained with loan funds must comply with applicable NFPA standards, as identified by the fire marshal. Loans in this category may be awarded in amounts between \$25,000 and \$150,000.

2. Personal protective equipment and communications equipment, including personal protective clothing (structural and wild land) that includes helmets, coats, boots, pants, eye protection, gloves, and protective hoods; SCBA with integrated PASS devices; and radio communications devices. Radio communications devices obtained with loan funds must be interoperable with equipment utilized by agencies with which the agency obtaining the equipment has mutual aid agreements, if such interoperable equipment is available. Equipment obtained must comply with applicable NFPA standards, as

identified by the fire marshal. Loans for purchase in this category are limited to amounts between \$10,000 and \$50,000.

3. Repairs made to apparatus identified in paragraph "1." Loans in this category are limited to amounts between \$10,000 and \$50,000.

4. Purchase of accessory equipment, including fire suppression equipment such as hoses, ladders, small fireground tools, ventilation equipment, or vehicle extrication and rescue equipment. Equipment obtained with loan funds must comply with applicable NFPA standards, as identified by the fire marshal. Loans in this category are limited to amounts between \$10,000 and \$50,000.

5. The fire marshal, acting on the advice of the fire service and emergency response council, may establish priorities for funding through the revolving loan fund. If such priorities are established, they will be included in the notice of availability of funds and shall be utilized only if the total amount of funding requested exceeds the total of funds available to loan.

661—55.206(80GA,Ch177) Eligibility requirements and restrictions.

55.206(1) Any local fire department in the state of Iowa is eligible to apply for a loan.

55.206(2) Loan applicants shall be required to provide a 10 percent match.

55.206(3) All successful loan applicants shall comply fully with the fire incident reporting requirements (NFIRS) of the fire marshal division.

55.206(4) No loan shall be made to a local fire department serving a population in excess of 30,000 people which will result in excess of 50 percent of the total funds loans at any given time being loaned to local fire departments serving populations in excess of 30,000 people, unless the fire marshal finds that there are no eligible applications pending from local fire departments serving populations of 30,000 people or less.

55.206(5) Following approval, loan funds will be provided only after the local fire department receiving the loan submits documentation showing that the department has

either acquired, contracted for, or issued a purchase order for the equipment.

Disbursement of the loan shall be in the form of a warrant payable either to the local fire department and the vendor or vendors supplying the equipment or repair services or solely to the vendor or vendors, or, with the approval of the fire marshal, solely to the local fire department receiving the loan.

55.206(6) A local fire department is eligible for only one loan during any five-year period, or for the duration of an existing loan from this program, whichever is longer.

55.206(7) A local fire department that has been in default on a loan is not eligible for additional loans through this program for a period of two years beyond the time specified in subrule 55.206(6). Any prior history of defaulting on a loan from the revolving loan fund will be taken into account in evaluating a department's ability to repay a loan, pursuant to subrule 55.204(3), paragraph "b."

55.206(8) A local fire department receiving a loan is subject to a financial audit and any operational or program audits necessary to verify compliance with any requirements or conditions of the loan.

661—55.207(80GA,Ch177) Loan origination fee and repayment schedule:

55.207(1) Each approved loan shall carry an origination fee of 1 percent of the loan amount, which shall be withheld by the fire service training bureau from the original payout of the loan.

55.207(2) A repayment schedule for each loan shall be established at the time the loan is awarded, with a minimum of two payments per year for the duration of the loan. Generally, loans of \$50,000 or less shall be repaid within a five-year period, and loans of more than \$50,000 shall be repaid within a ten-year period, although the fire marshal may allow variations for good cause. There will be no penalty for early payment. Each payment shall be by warrant, check, or money order made payable to Fire Service

Training Bureau, Iowa Department of Public Safety, and shall be clearly marked “Repayment of Loan from Fire Fighting Equipment Revolving Loan Fund.”

55.207(3) During any period when a loan is in default, there shall be a penalty of 1.5 percent of the remaining unpaid principal of the loan per month added to the amount of the loan.