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) 269-4614
Fax: (907) 269-4563

BULK FUEL REVOLVING LOAN PROGRAM INFORMATION

LOAN PURPOSES

Loans may be made to assist communities in purchasing bulk fuel oil or gasoline 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

The loan is 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

Applicants may be required to secure a bulk fuel revolving loan by submitting a resolution adopted by the governing body which authorizes payments from the State of Alaska from funds provided by Community Revenue Sharing, 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.

FEES

There are no fees for this application.

Submit all loan applications to:

Division of Community and Regional Affairs
Bulk Fuel Revolving Loan Program
550 W. 7th Ave., Suite 1640
Anchorage, Alaska 99501

Telephone Number: (907) 269-4614 or 269-4564
Fax to: 907-269-4563
Email to: bulkfuel@alaska.gov

BULK FUEL REVOLVING LOAN PROGRAM CHECKLIST

ORIGINAL, SIGNED APPLICATIONS MUST BE SUBMITTED TO DCRA

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

- ☐ Application for a Bulk Fuel Revolving Loan: Make sure that the form is completed, signed and NOTARIZED, where applicable (pages 5-13). Make sure ALL questions are answered completely. Copies are accepted for evaluation only.

- ☐ Letter of Intent. (page 5). Describe in detail the type of 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.

- ☐ Loan Agreement and Promissory Note (pages 9-11). Must be completed and signed by the person authorized by the Borrower Resolution (page13). The borrower is to complete ONLY the areas that state, "to be completed by the Undersigned". All areas that state "to be completed by DCRA" are NOT to be filled out by the borrower. These spaces will be completed by the DCRA at closing.

- ☐ Waiver of Sovereign Immunity Resolution (page12). Required only if the applicant is a Traditional or IRA Village Council.

- ☐ Borrower Resolution: A resolution signed by community or corporate applicants approving the purchase of bulk fuel, on a form provided by the DCRA (page 13)

- ☐ Written Endorsement: Required for an applicant 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 applicants are REQUIRED to submit financial information. This information is VERY important for use in determining the applicant's ability to repay the loan. The financial statement MUST be one of the following:
  a. Income Statement showing applicant's revenues and expenditures for most *recent* fiscal year (information provided may *not* be more than one year old).
  b. Balance Sheet showing applicant's assets and liabilities at the end of most *recent* fiscal year.
  c. If an income statement and balance sheet are not available, a copy of the applicant's complete Federal Income Tax return (less than 2 years old) may substitute.
  d. If the applicant has neither financial statements, nor Federal Income Tax returns, an explanation of how the applicant manages its finances must be included.
  NOTE: Payroll tax returns, check registers, and bank statements are NOT acceptable substitutes.

- ☐ Copy of the Fuel Quote from Fuel Provider. (If available)

ORIGINAL, SIGNED APPLICATIONS MUST BE SUBMITTED TO DCRA

BULK FUEL REVOLVING LOAN FUND
LETTER OF INTENT

Applicant's Name _____

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

- ☐ Purchase Bulk Fuel $ _____
- ☐ Fuel Transportation $ _____
- ☐ Other (explain) $ _____
- ☐ Total Loan Amount $ _____

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?

_____
_____
_____
_____

V. 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):	$_____/gallon,
TOTAL RETAIL PRICE CHARGED FOR DIESEL:	**$_____/ gallon**

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):	$_____/gallon
TOTAL RETAIL PRICE CHARGED FOR MOTOR FUEL:	$_____/gallon

VI. **Applicant's Signature: _____ Date: _____**

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

APPLICATION FOR BULK FUEL REVOLVING LOAN PROGRAM

Name of Applicant:		**Current Date:**
Mailing Address: **Street/P.O. Box:**	**Email:**	**Population:** **Telephone Numbers:**
City/State:	**Zip Code:**	**Phone:** **Fax:**

Contact Person: Name (Last, First, M.I.)	**Title:**	**Telephone Numbers:** **Phone:** **Fax:**
Mailing Address: **Street/P.O. Box:**	**Email:**	**The contact person is that individual who is authorized to disclose information about this bulk fuel loan.**
City/State	**Zip Code:**	

I/We hereby apply for a loan not to exceed $_____

BULK FUEL INFORMATION

Type of Fuel Needed	Est. Delivery Date	Quantity	Cost Per Gallon	Transportation	Total Cost
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Totals		_____	$_____	$_____	$_____

Total Capacity of **Tanks** used by applicant: Owner _____ Heating Oil _____ Gal. Gasoline _____ Gal. Condition of Tanks: Good _____ Fair _____ Poor _____	Owner _____ Heating Oil _____ Gal. Gasoline _____ Gal. Condition of Tanks: Good _____ Fair _____ Poor _____	Owner _____ Heating Oil_____ Gal. Gasoline _____ Gal. Condition of Tanks: Good_____ Fair_____ 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:	**Email:**	**Contact Name:**
Mailing Address: **P.O. Box:**	**Telephone** **Fax :**	
City/State:	**Zip:**	

How have you financed your bulk fuel purchases for the past three years?

_____

_____

_____

_____

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 it is 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 applicant and fuel vendor.

_____ _____
(Date) **(Authorized Signature)**

_____
(Title)

BULK FUEL REVOLVING LOAN FUND
AGREEMENT AND PROMISSORY NOTE
(AS 42.45.250)

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 proceeds of the loan will be used only for purchasing fuel and paying for the necessary transportation costs of the fuel to the community of_____. 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.

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 (to be completed by DCRA) _____% per annum**, accrual to begin at date of disbursement. (To be completed by DCRA). 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 Revenue Sharing, 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
AGREEMENT AND PROMISSORY NOTE
(AS 42.45.250)

BORROWER (*Entity name*)

_____

By: _____

Printed Name_____

Title: _____

STATE OF ALASKA)
)
_____JUDICIAL DISTRICT)

The foregoing Agreement and Promissory Note was acknowledged before me this _____ day of_____ 20____ by (*name of person signing above)* _____ the _____of, _____.

_____
Notary Public, State of Alaska
My Commission expires: _____

LENDER

State of Alaska

By: _____

Printed Name_____

Title: _____

BULK FUEL REVOLVING LOAN FUND
WAIVER OF SOVEREIGN IMMUNITY
(AS 42.45.250)

VILLAGE COUNCIL RESOLUTION NO._____

DATE_____

WHEREAS, the (traditional or IRA council) _____is an applicant for a loan in the amount of $_____ from the Bulk Fuel Revolving Loan Fund;

WHEREAS, the State of Alaska requires as a condition of the loan that an Alaska Native Village waives sovereign immunity from suit for any claims related to the loan.

NOW, THEREFORE, be it resolved that _____ (name of community), an Alaska Native Village, by its council, hereby gives its irrevocable consent to allow_____ (name of community) or its officials, to be sued in the name of _____ (traditional or IRA council), in the courts of the State of Alaska or any other court of competent jurisdiction, for any claims related to the loan and hereby waives any immunity from suit for such purposes, and the _____ (traditional or IRA council), or its officials, shall be liable for such claims. The _____ (traditional or IRA council) also consents to the execution of any judgment obtained pursuant to this waiver of immunity against any property, whether real or personal, including money, in an amount equal to the outstanding balance of the loan, plus accrued interest and legal costs and fees.

The foregoing resolution was adopted at a duly convened meeting of _____ this _____ day of _____, 20_____.

_____
(Authorized Signature)

_____
(Title)

STATE OF ALASKA)
) SS.
_____JUDICIAL DISTRICT)

This instrument was acknowledged before me this _____day of_____, 20____ by_____ (name of officer or agent) of _____ (name of village council acknowledging) a traditional or IRA council, on behalf of the council, with its authority, and as a free act.

_____
Notary Public, State of Alaska
My Commission expires: _____

*NOTE: This form is only required for applicants who are a traditional *or* IRA council.

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(s)_____ _____ is/are authorized to execute any and all documents which 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)

_____
(Title)

STATE OF ALASKA)
) SS.
_____JUDICIAL DISTRICT)

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

_____
Notary Public, State of Alaska
My Commission Expires_____