

POLICY NUMBER: 10

SUBJECT: **LOAN PAYMENT DEFERMENT REQUESTS FROM THE CONSTRUCTION FUND AND SEVERANCE TAX TRUST FUND PERPETUAL BASE ACCOUNT**

EFFECTIVE DATE: November 24, 1997

POLICY: Under the statutory authority of Section 37-60-120 (3) CRS, the Colorado Water Conservation Board (CWCB) may, at its discretion, consider a request for deferment of payment on an existing loan from either the CWCB Construction Fund or the Severance Tax Trust Fund Perpetual Base Account. Any request for deferment of payment on an existing loan will require either: (1) the borrower to pay interest for the period in which the loan payment is deferred or (2) calculation of a new loan amortization schedule that provides for adding to the principal of the loan the interest that accrues during the period in which the loan payment is deferred.

PURPOSE: This policy allows the Board to maintain the financial integrity of the Construction Fund and the Severance Tax Trust Fund Perpetual Base Account while providing project sponsors an opportunity to recover from periods of financial difficulties, drought, flood, or other hardship beyond their control.

APPLICABILITY: This policy and procedure apply to all loans from the CWCB Construction Fund and Severance Tax Trust Fund Perpetual Base Account.

PROCEDURE: Upon request for deferral of an annual loan payment, staff will prepare a memorandum for presentation at the next regularly scheduled Board meeting. The memo will include the reason(s) for the deferral request, the original loan and project information, loan re-payment history, and a staff recommendation including, if applicable, a revised loan repayment schedule.

Approved by the CWCB
November 24, 1997 Board Meeting
Agenda Item #15a