

POLICY NUMBER: 16

**SUBJECT: CONSTRUCTION FUND AND SEVERANCE TAX TRUST
FUND PERPETUAL BASE ACCOUNT LOAN SERVICE
CHARGES**

EFFECTIVE DATE: January 1, 2003

REVISED DATES: March 26, 2003

POLICY: The Colorado Water Conservation Board (CWCB) will charge borrowers a service fee for loans and administrative functions during the life of a loan from the Construction Fund and Severance Tax Trust Fund Perpetual Base Account and amendments thereto, pursuant to sections 37-60-119(2) and 37-60-121(1)(b)(IV), C.R.S. (2001). The Board will annually review the loan service fee beginning at their May 2004 meeting.

PURPOSE: To establish a service fee schedule payable to the CWCB by borrowers from the CWCB Construction Fund and Severance Tax Trust Fund Perpetual Base Account.

APPLICABILITY: This policy and procedure shall apply to all loans from the CWCB Construction Fund and Severance Tax Trust Fund Perpetual Base Account, amendments to loan contracts and partial releases of loan collateral.

PROCEDURE: The following fees will be assessed on all loan contracts, subsequent loan contract amendments, and partial releases of collateral.

Loan Contracts - A service fee of one percent (1%) of the amount loaned will be charged. The service fee will be added to the loan amount at the time of project substantial completion and will be transferred into a CWCB operational account. In no event shall the service fee exceed one percent (1%) of the actual loan.

Amendments - A service fee of \$1,000 will be assessed for amendments processed for the benefit of the borrower and necessary for the borrower's course of business, including, but not limited to, those listed in the table below. The service fee shall be remitted to the CWCB by the borrower prior to initiation of the amendment. Amendments in the course of CWCB business, including, but not limited to, loan payment deferments (up to 3 per loan) and changes in terms of loan repayment will be processed at no additional charge to the borrower.

Partial Releases of Collateral - A service fee of \$500 will be assessed for each partial release of collateral provided for in the loan contract to cover the CWCB's administrative costs, local and county recording and releasing fees, and Colorado Secretary of State filing fees, where applicable. Where a loan contract includes multiple deeds of trust (or other security instruments), each additional instrument will be subject to an additional \$500 charge. For example, a contract with five deeds of trust seeking a partial release will be charged \$2,500. Such service fee will be applied every time a partial release is prepared over the life of the loan. The service fee shall be remitted to the CWCB by the borrower prior to preparing the release documents. Partial releases processed outside the terms of the contract and requiring a contract amendment will be considered an amendment subject to a \$1,000 service fee.

Service Fee Schedule - The table below lists the loan contracts, amendments, and partial releases of collateral subject to a service fee in accordance with the above policy.

LOANS 1% SERVICE FEE	AMENDMENTS \$1,000 PER AMENDMENT	PARTIAL RELEASES OF COLLATERAL \$500 PER RELEASE
Construction Fund Severance Tax Trust Fund Perpetual Base Account	<ul style="list-style-type: none"> -Partial releases not included in the terms of the loan contract -Change in borrower name (novation) -Assignment of contract -Substitution of collateral -Loan payment deferments (in excess of 3 per loan) -Loan consolidation 	Partial releases provided for in the loan contract

Approved by the CWCB
 March 26, 2003
 Agenda Item #3a.