

§1099-B. Waste Oil Furnace Loan Program

1. Program established. There is established the Waste Oil Furnace Loan Program to be administered by the authority through approved lenders. The program subsidizes interest costs of loans made to eligible entities purchasing and properly installing qualified waste oil boilers and furnaces. The program subsidizes loan interest rates made by approved lenders to achieve an effective interest rate to borrowers of 3%. Loan amounts are limited to the purchase price of the boiler or furnace but may not exceed \$5,000 for any boiler or furnace. The term of loans made under this subchapter may not exceed 5 years.

[PL 1991, c. 255, §2 (AMD).]

2. Fund established. There is established the Waste Oil Furnace Loan Fund which is managed by the authority but held separate from other funds of the authority and used by the authority to carry out this subchapter. Payments to approved lenders equal to the present value of the difference between the total interest costs charged by the lenders over the terms of the loans and the interest costs paid by the borrowers at the program effective interest rate of 3% are charged to the fund.

[PL 1989, c. 774, §4 (NEW).]

3. Lenders. Lenders may not participate in the program without the authority's approval. As a condition of approval by the authority, the lender must agree to originate and administer all loans made under the program and to receive the interest payment for loans made under the program from the authority in an amount equal to the present value of the interest due over the term of the loan. The lender shall determine the interest rate of the loan.

[PL 1989, c. 774, §4 (NEW).]

4. Entities. Entities participating in the program are responsible for repayment of the principal borrowed plus 3% interest, subject to conditions established by the authority and the lenders. As a condition of the loan, entities must:

A. Properly install the boiler or furnace and consent to post-installation inspection procedures established by the authority; and [PL 1989, c. 774, §4 (NEW).]

B. Agree to burn only self-generated waste oil or waste oil that has the characteristics of specification waste oil as defined by rule of the Department of Environmental Protection. [PL 1989, c. 774, §4 (NEW).]

[PL 1991, c. 255, §2 (AMD).]

5. Rulemaking. The authority shall adopt rules to carry out this subchapter no later than January 1, 1991. The rules must be adopted in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, and must include:

A. A list of approved lenders; [PL 1989, c. 774, §4 (NEW).]

B. Procedures governing the transfer of money from the fund to the lenders; [PL 1989, c. 774, §4 (NEW).]

C. Procedures to determine the amount charged to the fund for each loan; and [PL 1989, c. 774, §4 (NEW).]

D. Loan applications, program evaluation or program administration forms and procedures that the authority considers necessary to implement this subchapter. [PL 1989, c. 774, §4 (NEW).]

[PL 1989, c. 774, §4 (NEW).]

SECTION HISTORY

PL 1989, c. 774, §4 (NEW). PL 1991, c. 255, §2 (AMD).

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