

LOANS FROM AMENITIES FUND



Loans from amenities fund

1. Eligibility Criteria for Loans

Guidelines for loans from the fund are as follows:

1. Those bodies eligible to make applications for loans from the Council shall be those bodies which;
 - A. are non-profit making bodies constituted and, where applicable, registered so as to be legal “persons”
 - B. can show that they will provide or obtain funding (excluding loan finance) from a source other than the Amenities Fund of at least 65 percent of the project for which they are applying for a loan
 - C. are applying for a loan for the purpose of the provision of new or extension of existing facilities within the city, which will benefit the wider community
 - D. can demonstrate the ability to repay any Amenity Loan within a stipulated timeframe.
2. When considering an application for funding the Council shall take into account the factors listed below, but reserves the right to decline any application at its sole discretion:
 - A. the number of people and/or organisations to benefit from the project;
 - B. whether or not the project duplicates any existing facilities
 - C. the amount of contribution from the applicant.

2. Procedures for the making of loans

1. Every loan shall be by way of a written loan agreement and must be uplifted within six months of the date of approval, otherwise approval will lapse and further application will be required to be made
2. The Council may, at its discretion, require a qualifying body to provide security for a loan that it receives in accordance with this policy
3. Interest on the outstanding balance of any loan made shall be charged by the Council to the body receiving the loan. Interest rates applicable to every loan shall be notified to the borrower for the forthcoming year on or before the anniversary of the lending date. Interest shall be payable on annual instalments on each anniversary of the lending date. Every loan made shall contain an interest review clause permitting the interest rate to be varied during the term of the loan on the following anniversary of the lending date.
4. The interest rates* are as follows:

Year 1	0%
Year 2	1%
Year 3	2%
Year 4	3%

Year 5 and subsequent years 3%

* Reviewed annually

5. The principal amount of every loan shall be repaid by the borrower to the Council in equal instalments during the term of the loan, the instalments to be paid on each anniversary of the lending date.
6. The term and amount of any loan made from the Amenities Fund shall be determined by the Council.