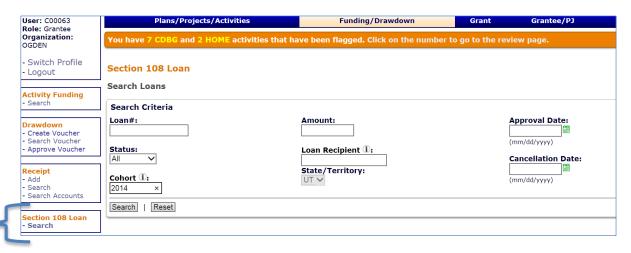
# Chapter 8 SECTION 108 LOANS

This chapter explains how to set up, fund, draw funds, and report accomplishments for Section 108 Loan Guarantee program activities. Because these functions are very nearly identical to CDBG activity processing, only the differences will be described here. For an overview of Section 108 loan processing in IDIS, please see the <u>Section 108 Loan</u> Guarantee Quick Start Guide for IDIS Online.

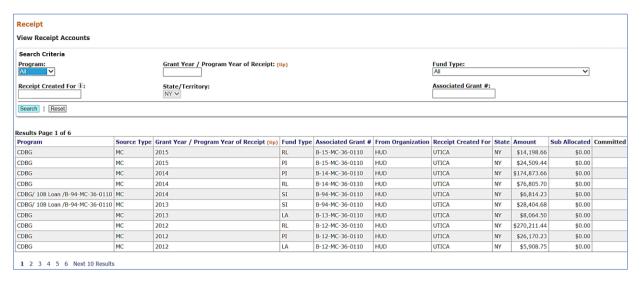
Section 108 loan funds are available to commit and draw only if the loan has been loaded into IDIS. Use the View Loan function to confirm that a loan has been loaded.

## **VIEW LOANS**

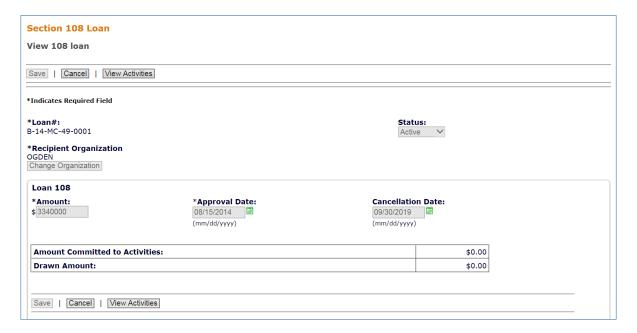
To view basic information about a loan, click the Funding/Drawdown tab at the top of any page and then click the Section 108 <u>Search</u> link. The Search Loans screen is displayed:



Enter as many or few search criteria as you wish to retrieve the loan(s) to be viewed, and then click the [Search] button to display the results:



Click the  $\underline{\text{View}}$  link in the last column of the results table to display the View 108 Loan screen:

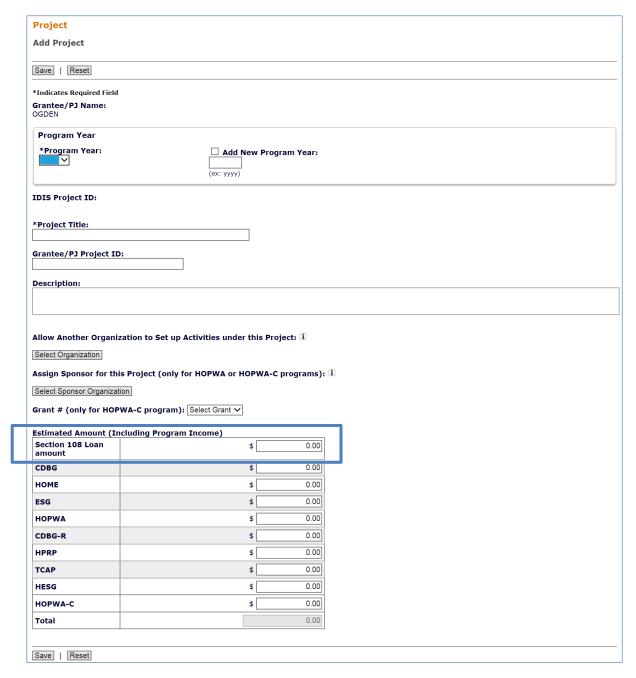


| Field                          | Description  |
|--------------------------------|--|
| Loan#                          | The CDBG grant to which the loan guarantee is related. In instances where more than one loan is backed by the same grant, a one-letter suffix is appended to the number of all but the first loan. |
| Recipient Organization         | The entitlement grantee.   |
| Status                         | Either <b>Active</b> or <b>Cancelled</b> .   |
| Amount                         | The total amount of this loan.   |
| Approval Date                  | The date this loan was approved.   |
| Cancellation Date              | The expiration date of this loan. Loan funds cannot be committed or drawn after this date.   |
| Amount Committed to Activities | The amount of this loan that has been committed to activities to date.   |
| Drawn Amount                   | The amount of this loan that has been drawn down to date.  |

To exit the View 108 Loan screen, click the [Cancel] button.

### **ADD PROJECT**

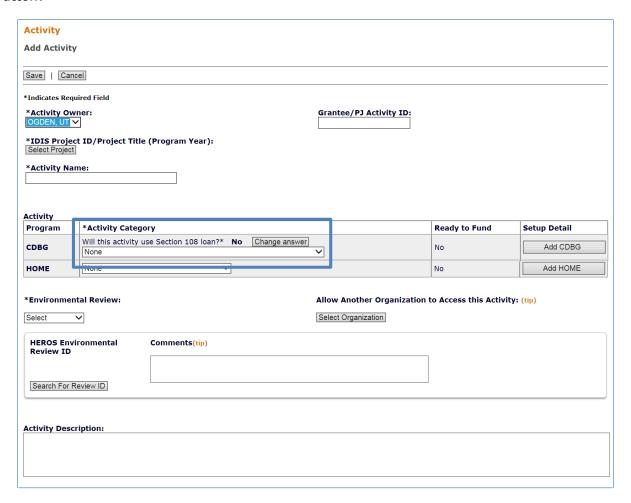
To add the project under which you will set up your Section 108 Loan activities, follow the steps on pages 2-1 through 2-3. The project should be added to the PROGRAM YEAR in which the 108 loan approval was received. When filling in the Add Project screen, be sure to specify an estimated amount in the Section 108 Loan amount field:



Once the project has been added, the Section 108 Loan activities can be set up.

# **ACTIVITY SETUP**

To set up an activity that is to be funded with Section 108, change the WILL THIS ACTIVITY USE SECTION 108 LOAN? field on the Add Activity screen to "Yes" by clicking the [Change answer] button:



Changing this field to "Yes" makes the Section 108 fund types available as a funding source for the activity, and also limits the choices on the ACTIVITY CATEGORY dropdown to Section 108-eligible matrix codes. Three of the codes are specific to Section 108 activities, while the other matrix codes can also be funded with EN or PI:

- 24A Payment of interest on Section 108 loans
- 24B Payment of costs of Section 108 financing
- 24C Debt service reserve

Except for these differences, the Add Activity screen is filled in the same as for other CDBG activities (see Chapter 3 for instructions).

For a 24A, 24B, or 24C activity, there are no additional screens to complete. Click the [Save] button. The screen is redisplayed in edit mode, and the activity is ready to be funded. For other matrix codes, fill in the CDBG setup detail screens exactly as you would for non-Section 108 activities (see Chapter 4 for detailed instructions).

# **ACTIVITY FUNDING**

There are two Section 108 loan fund types:

- SL Section 108 Loan
- SI Section 108 Loan Income

SL is available as a funding source for an activity if the WILL THIS ACTIVITY USE SECTION 108 LOAN? field on the Add Activity screen is "Yes."

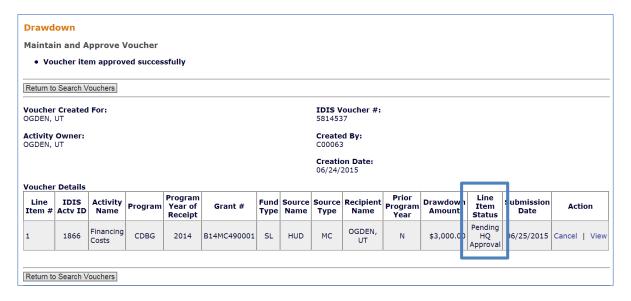
SI is available only if you have receipted Section 108 loan program income (see next page) and may only be used to fund activities with a matrix code of 19F, 19G, or 24A-24C.

Instructions for funding activities in IDIS are provided in Chapter 5.

Note that once an activity is funded with SL or SI, its matrix code cannot be changed to one that is not Section 108 eligible.

#### **DRAWDOWNS**

The process of drawing down SL and SI is the same as for other fund types (see Chapter 6) except that SL and SI vouchers must be approved by HUD. Once you approve an SL/SI draw, the status of the voucher changes to "Pending HQ Approval":



Following HQ approval, the status changes to "Approved" and the SL/SI voucher is processed as usual.

# **RECEIPTING LOAN INCOME**

Please see Chapter 7 for instructions on receipting Section 108 Loan program income.

## REPORTING ACCOMPLISHMENTS

Accomplishments and performance measures for a Section 108 loan-funded activity are reported exactly as they are for a CDBG activity. For details, see Chapter 9 and, depending on the national objective assigned to the activity, Chapters 10-14. Like CDBG administrative activities, there are no accomplishment screens for activities with a matrix code of 19F, 19G, or 24A-24C.

The final step in the completion process of every Section 108 loan-funded activity is to update the activity status to Completed. Please turn to page 3-10 for instructions.

# Chapter 9 ACCOMPLISHMENT REPORTING

Accomplishments must be reported for all CDBG activities except those that do not meet a national objective (activities with a matrix code of 19F, 19G, 20, 21\*, 22, or 24A-24C).

HUD <u>urges</u> you to report activity accomplishments as they are realized, but at least quarterly. You are <u>required</u> to report accomplishments for each program year the activity is open and at activity completion. The only exception to quarterly/annual reporting is public facilities, which should not be reported until the facility is complete.

Follow the instructions on page 3-5 to access the activity for which accomplishments are to be reported. On the Edit Activity screen (see page 3-7), click the [Add CDBG Accomp.] or [Edit CDBG Accomp.] button to access the accomplishment screens for the activity. Fill in these screens with annual accomplishments for every year the activity is open. Do <u>not</u> input cumulative accomplishments.

The accomplishment screens that you will be required to complete depend on the national objective you have assigned to the activity:

| If the national objective is | Turn to    |
|------------------------------|------------|
| LMA*                         | Chapter 10 |
| LMC*                         | Chapter 11 |
| LMH*                         | Chapter 12 |
| LMJ*                         | Chapter 13 |
| SBA, SBR, SBS, URG           | Chapter 14 |

The importance of providing HUD with accurate accomplishment data on a timely basis cannot be overemphasized. Failing to do so results in the underreporting of CDBG accomplishments to Congress, the Office of Management and Budget, and other Federal oversight agencies, and may put future funding of the program at risk.