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 Section 108 Loan 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 Search 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:

Results Page 1 of 1

Loan#	Cohort	Fund Type	Receipt Organization	State	Amount	Approval Date	Cancellation Date	Status	Action
B-13-DC-17-0001	2013	SL	ILLINOIS	IL	$40,000,000.00	09/23/2013	09/30/2019	Active	View

Click the <u>View</u> link in the last column of the results table to display the View 108 Loan screen:

Section 108 Loan

View 108 loan

Save | Cancel | View Activities

*Indicates Required Field

*Loan#:		**Status:**
B-13-DC-17-0001		Active ∨
*Recipient Organization		
ILLINOIS		
Change Organization		

Loan 108

*Amount:	***Approval Date:**	**Cancellation Date:**
$ 40000000	09/23/2013 📅	09/30/2019 📅
	(mm/dd/yyyy)	(mm/dd/yyyy)

Amount Committed to Activities:	$0.00
Drawn Amount:	$0.00

Save | Cancel | View Activities

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 State or the non-entitlement unit of general local government or other entity that is managing the Section 108 loan activities, funding, and drawdowns in IDIS.
Status	Either **Active** or **Cancelled**.
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:

Project

Add Project

Save | Reset

*Indicates Required Field

Grantee/PJ Name:
ILLINOIS

Program Year

*Program Year:
[⌄]

☐ **Add New Program Year:**
[   ]
(ex: yyyy)

IDIS Project ID:

*Project Title:
[   ]

Grantee/PJ Project ID:
[   ]

Description:
[   ]

Allow Another Organization to Set up Activities under this Project: ⓘ

Select Organization

Assign Sponsor for this Project (only for HOPWA or HOPWA-C programs): ⓘ

Select Sponsor Organization

Grant # (only for HOPWA-C program): [Select Grant ⌄]

Estimated Amount (Including Program Income)	
Section 108 Loan amount	$ 0.00
CDBG	$ 0.00
HOME	$ 0.00
ESG	$ 0.00
HOPWA	$ 0.00
CDBG-R	$ 0.00
HPRP	$ 0.00
TCAP	$ 0.00
HESG	$ 0.00
HOPWA-C	$ 0.00
Total	0.00

Save | Reset

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 Wɪʟʟ ᴛʜɪs ᴀᴄᴛɪvɪᴛʏ ᴜsᴇ Sᴇᴄᴛɪᴏɴ 108 ʟᴏᴀɴ? 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":

Drawdown

Maintain and Approve Voucher

- **Voucher item approved successfully**

[Return to Search Vouchers]

| **Voucher Created For:** | **IDIS Voucher #:** |
| ILLINOIS | 5814538 |

| **Activity Owner:** | **Created By:** |
| ILLINOIS | C00063 |

Creation Date:
06/25/2015

Voucher Details

Line Item #	IDIS Actv ID	Activity Name	Program	Program Year of Receipt	Grant #	Fund Type	Source Name	Source Type	Recipient Name	Prior Program Year	Drawdown Amount	Line Item Status	Submission Date	Action
1	13180	Section 108 Financing Costs	CDBG	2013	B13DC170001	SL	HUD	DC	ILLINOIS	N	$2,500.00	Pending HQ Approval	06/25/2015	Cancel | View

[Return to Search Vouchers]

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.