

Municipality of the District of Lunenburg

Policy Details	
Name	Loan Guarantees for Qualifying Organizations
Number	006
Legislative Authority	MGA 294, 296 and Private Acts under Provincial Statute
Effective Date	April 1, 1999

Eligibility

- 1 (1) For the purpose of this policy, a qualifying organization includes the following:
 - a) Fire and emergency services providers registered with the Municipality under Policy MDL 036; or
 - b) Riverport Electric Light Commission.
- (2) The qualifying organizations must be incorporated by the Rural Fire District Act, The Societies Act, or a private Act of the Provincial Legislature.
- (3) The qualifying organizations must provide a current financial statement with its application.

Maximum Amounts of Loan Guarantee

- 2 (1) Loan guarantees to all qualifying organizations will not exceed one million dollars (\$1,000,000) at any one time.
- (2) A loan guarantee to a qualifying organization shall not exceed two hundred and fifty thousand dollars (\$250,000).
- (3) A guaranteed amount will not exceed sixty (60%) percent of the capital assets of a qualifying organization including any assets being bought with loan funds.


Loan Guarantee Terms

- 3 (1) The Municipality will not provide a loan guarantee exceeding ten (10) years.
- (2) A qualifying organization will provide security as determined by the Municipality by way of a first mortgage on its real or personal property.

(3) A qualifying organization for which the Municipality has provided a loan guarantee must provide a statement from its lender not later than April 15 in each year showing the balance as of December 31 of the preceding year.

(4) A qualifying organization must insure, at its expense, the assets that the Municipality has determined as a security, in accordance with section 3(2) herein, for not less than the amount of the loan guarantee. The Municipality must be shown as a named insured on the insurance policy and a Certificate of Insurance be provided to the Municipality no later than April 15 of each year that the loan remains outstanding.

(5) All expenses incurred by the Municipality to facilitate a loan guarantee including legal, appraisal, or other costs, must be paid by the qualifying community organization.

Policy Adoption	
Date of Original Passage	April 1, 1999
Date of Notice of Intent to Amend	March 21, 2023
Date of Council Approval	March 28, 2023
Date of Effective Date	April 1, 1999
I certify that this Policy 006 was adopted by Municipal Council as indicated above.	
Signature of Municipal Clerk 	Date March 28, 2023

Version	Amendment Description	Approval Date
Original V1	Policy 006 Loan Guarantees to Community Organizations	April 1, 1999
V2	Revised "community" to "qualifying", removed charities and non-profit, added Riverport Electric Light, increased the total loan amounts and individual loan amounts.	March 28, 2023