



Commonwealth of Pennsylvania
Office of the State Fire Commissioner

**RULES and
REGULATIONS for the**

**FIRE AND EMERGENCY
MEDICAL SERVICES
LOAN PROGRAM
(FEMSLP)**



Tom Wolf, Governor

John Fetterman, Lieutenant Governor

Pennsylvania Emergency Management Agency

4 PA. CODE CHAPTER 113

**FIRE COMPANY, AMBULANCE SERVICE
AND RESCUE SQUAD ASSISTANCE**

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GENERAL STANDARDS

§113.1. DEFINITIONS

- (a) All terms defined in the act have the same meanings when used in this chapter as are ascribed in them in the act.
- (b) The following words and terms, when used in this chapter, shall have, unless the context clearly indicates otherwise, the following meaning:

Accessory equipment - Firefighting, ambulance and rescue equipment necessary to carry out the ordinary functions of supporting firefighting, medical, life support, hazardous materials response and rescue activities. Equipment shall comply with approved standards of the Agency, the National Fire Protection Association, Underwriters Laboratories, Factory Mutual Laboratories, National Bureau of Standards or other Nationally recognized inspection or rating agency and shall include ladders; hoses; self-contained breathing apparatus; generators; floodlights and cords; smoke ejectors; compressors; hydrant-thawing devices; hydrant wrenches; door openers; portable pump and hand suction hose; couplings; adapters; connecting hose valves; gates and ropes; spanner wrenches; nozzles; fire extinguishers; axes; crow bars; ladder and cellar pipe; pike poles; hose clamps and bridges; wheel chocks; floor runners; circular metal saws; foam applicators or applicator equipment; portable resuscitators; first aid kits; power shears; life or safety belts; rescue tools; stretchers and blankets; ropes; deluge guns; winches; helmets; coats; boots; trousers; lanterns; ladder straps; wrenches; salvage covers; hand saws; power saws; pigtail ground adapters; cable with locking connectors; playpipes; sprinkler stoppers or wedges; backpack-type pumps; bolts; portable suction apparatus; hand-operated bag masks; oropharyngeal airways; mouth-to-mouth airways - child and infant sizes; portable oxygen equipment; mouth gags; tongue blades; sterile intravenous agents; universal dressings; sterile gauze pads; self-adhering bandages; burn sheets; lower extremity traction splints; padded boards; inflatable splints; spine boards; triangular bandages; safety pins; shears; obstetrical kits; sterile gloves; umbilical cord clamps or tapes; dressings; towels; plastic bags; poison kits; blood pressure manometers; cuffs; stethoscopes; and other equipment for rescue, communications and hazardous materials activities as determined by the Agency.

Act - The Fire and Emergency Medical Services Loan Fund Law, (72 P.S.,§/§ 3943.1-3944.5) Act 91 of 2020, as amended.

Agency – The Office of the State Fire Commissioner.

Apparatus Equipment - Aerial apparatus; pumpers; tankers; utility or special service vehicles; ambulances; rescue vehicles and other large equipment used for fighting fires and hazardous materials emergencies. This equipment is more specifically categorized as follows:

- (i) **Aerial Apparatus** - A truck equipped with a metal elevating platform device consisting of two or more booms or sections with a passenger-carrying platform assembly, or a truck equipped with a permanently mounted, power-operated aerial ladder. It shall comply with basic performance and construction standards, acceptance tests and service tests as set forth in NFPA Standard 1901-2009 or its successor. (Currently, used vehicles must meet the 2003 standard if they were manufactured in 2006 or prior.)

id)

- (i) **Pumper** - Any pumper with a permanently mounted fire pump with a rated discharge capacity of 750 gallons per minute or greater at 150 pounds per square inch net pumping pressure. It shall comply with basic performance and construction standards, acceptance and service tests, as set forth in NFPA Standard No. 1901-2009 or its successor. (Currently, used vehicles must meet the 2003 standard if they were manufactured in 2006 or prior.)
- (ii) **Tanker** - A mobile water supply fire apparatus as specified in NFPA Standard No. 1901-2009 or its successor with a water capacity of 1,000 gallons or more. The minimum flow rate specified for tank to pump connection is 500 gallons per minute to fire pump or the capacity of a booster pump where provided. The truck shall include a pump and have a limited hose body capacity.
- (iv) **Utility or Special Service Vehicle** - A vehicle carrying accessory equipment including ladders; oxygen equipment; communications equipment; generators and adapters; floodlights; smoke ejectors, and other equipment necessary to perform the ordinary functions of supporting firefighting, rescue, emergency medical and hazardous materials activities. It shall comply with basic performance and construction standards and acceptance tests as set forth in NFPA Standard 1906-2012.
- (v) **Ambulance** - Any vehicle which is specifically designed, constructed or modified and equipped, and is used or intended to be used, and is maintained or operated, for the purpose of providing emergency medical care to, and transportation of, patients. The term includes advanced or basic life support vehicles that may or may not transport patients. An ambulance shall comply with current National standards and any standards developed under the authority of the Emergency Medical Services Act (35 P.S. §§6921-6938).
- (vi) **Rescue Vehicle** - A vehicle, whether a motor vehicle or a watercraft, intended to be used exclusively for rescue services, not primarily to transport patients or have affixed stationary fire suppression equipment. It shall comply with basic performance and construction standards and acceptance tests as set forth in NFPA Standard No. 1901-2009 or its successor. (Currently, used vehicles must meet the 2003 standard if they were manufactured in 2006 or prior.)
 - (A) **Heavy Duty Rescue Vehicle** - A vehicle utilizing a chassis with a Gross Vehicle Weight Rating (GVWR) of 14,700 pounds or more which is used exclusively for rescue services. It shall comply with basic performance and construction standards and acceptance tests as set forth in NFPA Standard No. 1901-2009 or its successor, if applicable. (Currently, used vehicles must meet the 2003 standard if they were manufactured in 2006 or prior.)
 - (B) **Light Duty Rescue Vehicle** - A vehicle utilizing a chassis with a Gross Vehicle Weight Rating (GVWR) of less than 14,700 pounds which is used exclusively for rescue services. It shall comply with basic performance and construction standards and acceptance tests as set forth in NFPA Standard No. 1901-2009 or its successor, if applicable. (Currently, used vehicles must meet the 2003 standard if they were manufactured in 2006 or prior.)
 - (C) **Watercraft Rescue Vehicle** - A vehicle or device used on the water or ice and intended to be used exclusively for rescue purposes. The term includes boats,

motorboats, iceboats, all terrain or amphibious vehicles capable of being operated on the water. The term does not include seaplanes.

Communications Equipment - Any equipment or a system, or both, necessary for the transmission and reception of signals by voice required to support the operations of the company. All transmissions and communications equipment must be licensed or authorized by the Federal Communications Commission, "Public Safety Radio Service", 47 C.F.R. Part 90 (relating to private land mobile radio services), meet the standards of the Agency, as set forth in any directives or guidelines, and meet the applicable requirements of the Public Safety Emergency Telephone Act (Act 78 of 1990).

Facility - A structure or portion thereof intended for the purpose of storage or protection of firefighting apparatus, ambulances and rescue vehicles and related equipment and gear. The term does not include meeting halls, social rooms, lounges, cloakrooms, bunkrooms, bathrooms, kitchens or any other facilities not directly related to firefighting or the furnishing of ambulance or rescue services.

Lending Institution - A savings bank, bank and trust company, savings and loan association, credit union, financial leasing corporation, independently chartered relief association, local unit of government (city, borough, township, county) or a private individual, if a signed lending agreement is in effect with the private individual which states the amount, term, interest rate and the specific project for which the money is being loaned.

New Apparatus Equipment - Apparatus equipment that is titled using a manufacturer's certificate of origin and all essential parts as defined in 75 Pa. C.S.A. §102 are new.

NFPA - National Fire Protection Association.

Protective Equipment - Any clothing or equipment used by firefighters, ambulance service personnel, or rescue service personnel which affords protection from injury to the wearer or user, including fire coats, boots, helmets, turnout pants, gloves, eye shields, chemical protection suites, and self-contained respiratory protection units.

UL - Underwriters Laboratories.

Used Apparatus Equipment - Apparatus equipment that has been previously titled in this Commonwealth or another state. Used apparatus equipment also includes a vehicle which consists of taking a new or used truck chassis of any kind and then fabricating or constructing used essential parts as defined by 75 Pa. C.S.A. §102 onto the chassis to create the apparatus equipment.

Volunteer Companies Loan Fund - The fund established under section 5 of the act (72 P.S. §3943.5).

Company - A fire company or ambulance service company as defined by the Act.

§113.2. GENERAL PROVISIONS FOR ASSISTANCE TO COMPANIES

- (a) The Agency will accept applications from any fire company or ambulance service company as authorized under the act, on forms provided and authorized by the Agency.
- (b) The General Assembly has determined that fire companies are most in need of loans and intends that, to the extent possible, a significant portion of the Companies Loan Fund be used to provide loans to fire companies and that the balance be allocated to provide loans to ambulance services companies.

§113.3. APPLICATION PROCEDURE

- (a) **Part I** - As its initial step in applying for a loan, the company shall submit the following documentation:
 - (1) A copy of the bylaws which provide that the applicant does not discriminate on the basis of race, creed, religion, sex, age, National origin, or disability.
 - (2) A copy of the charter or certificate of incorporation that establishes its status as a volunteer or non-profit corporation, association, or organization. **Municipal companies – A copy of the ordinance or supporting document which established your organization as a municipal department.**
 - (3) A notarized loan application and letter of intent, OSFC VL-1.
 - (4) Proof of publication of the nondiscrimination clause as recommended by OSFC VL-4. In the publication of its intention to apply for a loan and statement of nondiscrimination against applicants for membership, the company shall covenant with the Agency that it has not, does not and will not discriminate on the basis of race, creed, religion, sex, age, National origin or disability and that the company is and shall remain in compliance with the Pennsylvania Human Relations Act (43 P.S. §§951- 962.2), Title VI of the Civil Rights Act of 1964 (42 U.S.C.A. §§2000d-2000d-4a) and the Americans with Disabilities Act of 1990 (42 U.S.C.A. §§12101-12514). Every company requesting a loan from the Agency shall, at its own expense, publish its intentions to apply for funds from the Agency at least once in a newspaper of general circulation within 30 days prior to submission of the loan application. A newspaper of general circulation shall be a newspaper that is circulated on a daily or weekly basis within the company's service area.
 - (5) The resolution to borrow, OSFC-VL-2, either affixed with the company's seal or notarized.
 - (6) An Emergency Management Planning Resolution, OSFC-VL-20, if applicable.
 - (7) A Certification of Hazardous Materials Response Training, OSFC-VL-21, if applicable.
 - (8) A notarized financial statement and plan certification, OSFC-VL-5.
 - (9) A letter of responsibility, OSFC-VL-10.

(b) **Part 2** - In addition, the company shall submit the following, if applicable:

- (1) A statement from the vendor, contractor or testing agency as to why the existing facility or apparatus equipment is outmoded or unsafe.
- (2) Plans and specifications for apparatus equipment, facility, or both.
- (3) A legal description of real property upon which the facility is being constructed or modernized.
- (4) A signed copy of any agreement or contract with a manufacturer or contractor.
- (5) A signed copy of a loan agreement with a lending institution when refinancing a debt. The date of the loan agreement shall precede the date of the vehicle or equipment delivery or the completion of the facility project.
- (6) A signed copy of bids or estimates for repair or rehabilitation of apparatus equipment.
- (7) The names addresses and home and work telephone numbers of board members or trustees and officers.
- (8) Other required documents as determined by the Agency when borrowing for used apparatus equipment, accessory equipment, communications equipment or protective equipment.

(c) The evaluation of a company's initial and final application forms shall be performed by the staff of the FIRE AND EMERGENCY MEDICAL SERVICES LOAN PROGRAM.

§113.4. LOAN PRIORITIES AND ELIGIBILITY STANDARDS

- (a) A company that has met the requirements of §§113.3 shall have its loan application classified within each category according to its status as a fire company or an ambulance service company.
- (b) A loan application which meets two of the following requirements of the act shall be given first priority:
 - (1) Replacement of apparatus equipment not in compliance with NFPA standards or facilities not meeting state or local building codes or fire prevention codes, federal regulations or Agency directives.
 - (2) Replacement of unsafe fire apparatus equipment or facilities, or both.
 - (3) Provision of additional equipment or facilities, or both, because of unusual demand on present service.
- (c) If the company meets only one of the requirements listed in subsection (b), its loan application shall be given second priority and shall be processed in the order of its receipt.

- (d) company, whether its loan application is given first or second priority, shall have its eligibility for a loan based upon the following standards which are listed in the order of their importance.
- (1) The financial need of the company.
 - (2) The company's ability to repay the loan.
 - (3) The financial assets of the company and its ability to obtain revenue, income and financial support and resources from outside sources. Revenue sources shall include bank accounts, investment accounts with other types of financial investment institutions, income received from support groups of the company, membership fees or due collected, income received from service billing activities, gifts, donations or contributions received from governmental and non-governmental entities, and any other sources of income.
 - (4) The company's prior loan repayment history to the Companies Loan Fund. This standard shall include any prior loan defaults, late payments, bankruptcies, and related financial difficulties.
 - (5) The age and existing condition of the company's apparatus equipment or facilities and the age of the apparatus equipment that is intended to replace the existing apparatus equipment.
 - (6) The geographic and demographic conditions that exist within the company's service area. This standard includes unusual fire hazards, including the lack of an adequate water supply, the potential for and the incidence of natural and manmade disasters, the size of the population, the number of aged and disabled residents, and the growth or decline of the population within the service area, the amount of new home and business construction and expansion, the geographic size of the service area and the resulting amount of mileage and incidence of use incurred by the company's apparatus equipment.
 - (7) The number and type of signed mutual aid agreements that the company maintains with other companies and political subdivisions located within or adjacent to the county where the company's apparatus equipment and its supporting facility is located.
 - (8) The company's training, certification and fire prevention program.
- (e) The Director of the Agency has the authority to waive any of the loan priorities or standards established in this section whenever the applicant presents substantial evidence of potential hardship or other justification for the granting of such a waiver.

§113.5. Application Review Committee

- (a) After the staff has completed its final evaluation, the State Fire Commissioner or the Administrator of the FIRE AND EMERGENCY MEDICAL SERVICES LOAN PROGRAM will recommend disposition of the completed loan application to an application review committee within the Agency which will make the final decision on the loan application. A company's loan application will not be complete unless the Agency has received all required application forms and other

documentation from the company at least 7 calendar days prior to a scheduled application review committee meeting.

- (b) The application review committee will meet once a month as scheduled by the Agency and will consist of at least ten members. The committee will be composed of representatives from the Agency; other State agencies or departments with fire, ambulance or rescue service-related interests; the fire, ambulance and emergency service community; and other appropriate parties as selected by the Agency. Members will serve without compensation but will be reimbursed for travel expenses incurred in connection with attendance at committee meetings. Six members shall constitute a quorum. The State Fire Commissioner will coordinate and chair the committee meeting. If the State Fire Commissioner is unable to attend the meeting, the Administrator of the FIRE AND EMERGENCY MEDICAL SERVICES LOAN PROGRAM will coordinate and chair the meeting. Neither the State Fire Commissioner nor the Loan Administrator will have a vote unless the vote is needed to break a tie vote between the committee members present at the meeting.
- (c) The State Fire Commissioner, Loan Administrator and the application review committee will apply the loan priorities and loan eligibility standards listed in 113.4 (relating to loan priorities and eligibility standards) to their final decision on the company's loan application.
- (d) Any company aggrieved by a decision of the application review committee has the right to appeal the committee's decision to the Agency's Director or a designee within 30 days as provided by 1 Pa. Code Part II (relating to the General Rules of Administrative Practice and Procedure).

§113.6. LOAN LIMITATIONS

- (a) The Agency is authorized to make loans for the following:
 - (1) Acquisition of apparatus equipment; ambulances; rescue vehicles; utility or special service vehicles; communications equipment; accessory equipment or protective equipment; construction of new facilities; and modernization of existing facilities.
 - (2) Repair or rehabilitation of apparatus equipment when it has been determined that existing apparatus equipment no longer meets the current standards of the NFPA and when the repair or rehabilitation, or both, of the apparatus equipment will bring it in compliance with NFPA standards in existence at the time of the application.
 - (3) Refinancing a debt incurred through lending institutions for contracts entered into after November 4, 1975 and used for the purchase of apparatus equipment; for the construction or modernization of facilities; or for the modification of apparatus equipment in order to comply with NFPA Standards.
 - (4) Reimbursement of funds used from a company savings or investment account may be available through the FEMSLP. The company must be able to show they took existing company funds from a current savings or investment account to pay for the project at least one day prior to acceptance or completion.
- (b) A loan provided under this chapter may not be used for the acquisition of existing facilities. A loan may not be used for operating expenses, nor may it be used to reduce any debt or other obligation issued prior to November 4, 1975. A loan may not be used for the payment of fees

for the designing or planning of facilities or preparation of application. A loan may not be used for the purpose of investment, reinvestment, or for a purpose other than that which is expressly stated on the loan application, OSFC-VL-1.

- (c) The Agency has the authority to verify the company's non-profit status during the application process or at any time during the term of the loan.
- (d) The Agency may declare an "event of default" against a company that has received a loan from the Agency. For the purposes of this subsection, an "event of default" means any act committed by a company that diverts, misapplies, or distributes either all or a portion of its loan proceeds to a use, purpose or party not authorized by the Agency. An "event of default" also consists of events listed in Article VII (Default) of the Agreement for Act 208 Loan Assistance, OSFC-VL-17 and any act which changes or eliminates a company's or non-profit status.
- (e) Whenever the Agency declares an "event of default", it may proceed against the company in accordance with the default procedures in the Promissory Note, Mortgage, Guarantee or Loan Agreement (OSFC-VL-17) that was executed between the Agency and the company.
- (f) In addition to the other provisions of this section, a company is not eligible for a future loan from the Agency until that company takes actions or measures deemed necessary by the Agency to terminate an event of default that the Agency has declared against it and receives a written notice from the Agency that the event of default has been terminated.
- (g) A company may have no more than three outstanding loans with the Agency at a given time. The agency may reduce this loan limit if the balance of funds in the Loan Companies Fund warrants a reduction.

§113.7. EFFECTIVE DATE

Loans may be used for purposes of the act undertaken by a company after November 4, 1975.

§113.8. POLITICAL SUBDIVISION

- (a) A company is eligible for a loan regardless of legal ownership in whole or part by any political subdivision of any facilities, apparatus equipment or other equipment used by the company. Title to the real or personal property so financed shall vest in either the company or the political subdivision during the period of the loan. When the title to the real or personal property vests in the political subdivision, the political subdivision and the company shall co-sign the mortgage, promissory note, and security agreement for the real property loan (such as facilities) or the promissory note, security agreement and financing statements for the personal property loan (such as apparatus equipment or protective, accessory or communications equipment).
- (b) Any apparatus equipment or facilities financed under the act may be transferred to a political subdivision served by the fire company or ambulance company if the agency receives 30 days written notice of the transfer. In this situation, the Agency will determine the type of security required.

§113.9. TWENTY PERCENT REQUIREMENT

- (a) The company shall be required to show that it has available 20% of the total cost of the facility, apparatus equipment or vehicle procurement or rehabilitation in unobligated funds at the time its initial application forms are submitted to the Agency. The Agency has the authority to confirm the existence of a companies invested or unobligated funds at any time during the loan review process.
- (b) If the company is unable to meet the 20% requirement of subsection (a), a political subdivision served by the company may pledge funds necessary to satisfy the 20% requirement and, if it does so, shall cosign the application submitted by the company and provide the Agency with a copy of an ordinance adopted by the governing body of the political subdivision which guarantees the loan amount or authorizes the issuance of a general obligation note in the amount of the loan under the Local Government Unit Debt Act (53 P.S. §§6780-1 - 6780-609). A copy of the ordinance and a copy of the Department of Community Affairs Certificate of Approval shall be provided to the Agency at least 30 days prior to final settlement of the loan.

§113.10. LOAN PERIOD

The loans granted under the act shall not exceed 30 years for a facility loan, 30 years for aerial apparatus, 20 years for heavy duty rescue, pumper, tanker, pumper/tanker, utility, and special service apparatus loans, 20 years for an ambulance, rehabilitation, or light duty rescue loan, and any loan in the amount of \$50,000 or less shall be for not more than 10 years. The minimum amount of a loan is \$3,000.

§113.11. LOAN REPAYMENT

- (a) The loan shall be repaid at the rate of interest of 2.0% per annum payable monthly on the unpaid balance of the loan commencing not later than 2 months after the date of the loan and payable on the first day of every month thereafter during the term of the loan until paid. There shall be a delinquent charge of 6.0% per annum for any loan repayment that is 30 or more days late of the original due date.
- (b) The company may anticipate installments of principal or any payments of interest at any time prior to the respective payment date without notice or penalty.
- (c) The principal and interest of the loan shall be payable at the office designated for these purposes. The check or money order shall be made payable to the “Commonwealth of Pennsylvania” and shall be delivered to the Agency comptroller’s office before the close of business on the due date.

§113.12. LOAN PROCEDURES

- (a) In advance of a loan settlement, the Agency’s comptroller shall issue two-party checks which shall list both the company and a lending institution, apparatus equipment manufacturer or dealer, construction company or other interested party, as identified by the Agency, as the payees of the loan check.

- (b) Loan settlements will be conducted at either the Agency's Harrisburg office, area offices at another location, or at the company. The loan settlement dates and times will be determined at the sole discretion of the Agency.

FACILITY LOANS

§113.101. LOAN AUTHORIZATION

The Agency is authorized to make loans which will assist in establishing or modernizing facilities that house apparatus equipment, accessory equipment, communications equipment, and protective equipment.

§113.102. LOAN

The loan for acquisition of land or construction of a new facility or renovation of an existing facility to any fire company or ambulance service company for a specified project shall not exceed 50% of the total cost of the facility or modernization or \$450,000, whichever is less.

§113.103. PROCEEDS OF LOAN

- (a) Proceeds of the loan may be used for land acquisition, or facility construction and modernization as specifically described on the loan application and loan agreement. If the proceeds of the loan are to be used for land acquisition, approval will be granted only under the condition that construction begins within 6 months.
- (b) Proceeds of the loan may be used for the refinancing of debts incurred with a lending institution or contracts entered into after November 4, 1975 and shall be used for the construction or modernization of facilities.

§113.104. PREREQUISITE MATERIALS TO FINAL SETTLEMENT

As a prerequisite to final settlement, the company shall deliver the loan agreement, the promissory note and mortgage, with the real property description set forth in Exhibit A of the mortgage and such other security documents as may be required by the Agency, all having been duly authorized by the company, which when executed shall be the valid and legally binding obligations of the company enforceable in accordance with the respective terms of each.

§113.105. MORTGAGE

- (a) The mortgage shall be recorded by the company, at its own expense, in the office of the recorder of deeds in the county in which the land or facility is located.
- (b) Whenever a company has obtained a previous mortgage for land acquisition or construction or modernization of a facility, the Agency is authorized to provide an additional

mortgage for land acquisition or construction or modernization of a facility. The Agency will insure that loan safeguards are initiated to protect the Commonwealth's investment.

§113.106. INSURANCE AND SURVEYS

- (a) Mortgage. The company shall procure, pay for, and deliver to the Agency a mortgage's title insurance policy in the aggregate amount of the loan, insuring the interest of the Agency as the mortgagee under the mortgage as a lien or charge upon the mortgage property, subject only to such exceptions as shall have been approved by the Agency.
- (b) Insurance. The company shall maintain the following insurance in form and substance satisfactory to and in amounts required by the Agency, with evidence of the payment of premiums for the benefit of the Agency and the company:
 - (1) Construction coverage:
 - (i) Workmen's compensation insurance and employer's liability insurance.
 - (ii) Combined coverage, comprehensive general liability insurance, and owner's protective liability insurance.
 - (iii) Builder's risk on the project and the improvements including the materials, equipment, and other personal property located on the mortgaged property which are used or intended to be used in the project and the improvements, with extended coverage, vandalism, and malicious mischief; and with no more than a \$100 deductible provision for all losses.
 - (iv) Flood coverage.
 - (2) Fire coverage.
 - (3) Liability coverage.
 - (4) Boiler coverage.
- (c) Endorsements. All policies issued shall contain standard mortgagee clauses making any losses thereunder payable to the Agency, the company, and other mortgage holder. Policies or copies shall be deposited with the Agency. Not later than 30 days prior to the expiration date of each of the policies, the company shall deliver to the Agency satisfactory evidence of the renewal of each of the policies.
- (d) Assignment of insurance policies. The company shall assign and deliver the require certificates of insurance to the Agency at the time of final settlement. In the event of the Agency's foreclosure of the mortgage or of the transfer of title to the mortgaged property to the Agency in extinguishment of the indebtedness secured by the mortgage, all right, title and interest of the Agency in and to policies then in force shall be reassigned to the company.

Event of loss. In the event of loss or damage to the mortgage property, the company shall give immediate notice to the Agency and of the estimated monetary amount of the loss; and the company shall make prompt proof of loss and furnish copies to the Agency. The Agency may make proof of loss if not made promptly by the company. Any insurer concerned shall be authorized and directed by the company to make payment for the loss or injury to the Agency and any other mortgage holder jointly. The insurance proceeds or any part may be retained and applied by the Agency toward payment of any loan outstanding to the Agency by the company in priority and proportions the Agency deems proper; or, at the option of the Agency, such proceeds may be applied or paid in whole or in part toward the restoration or repaid of the damaged property or for other purposes and upon conditions the Agency designates.

§113.107. APPROVED PLANS AND SPECIFICATIONS

- (a) A copy of the approved plans and specifications for the construction or modernization project shall be submitted to and will be retained by the Agency. The company is responsible for complying with applicable Federal, State and local laws that concern the construction or modernization project. If any change to the plans or specifications is required by a governmental agency or licensing body, the company shall furnish additional labor and materials necessary to complete the project and the improvements in compliance with the changes to the plans and specifications. The company shall complete the project and the improvements inside and outside on or before the completion date as specified in the loan agreement, unless an unforeseen condition occurs that prevents completion on the specified date. In such an event, the company shall notify the Agency of the reason for the delay.
- (b) Additions or changes may not be made to the plans and specifications nor to any construction contract without the prior written approval of the original approving agency. Written notification of these approvals, additions or changes shall be submitted to the Agency.

§113.108. INSPECTIONS

- (a) The Agency may conduct periodic inspections during construction or modernization.
- (b) The Agency will conduct the final inspection after completion to determine full compliance prior to issuance of the final payment from the loan proceeds. In lieu of the final inspection by its representative, the Agency may accept a copy of the official Department of Labor and Industry inspection letter or a copy of the official Certificate of Occupancy, or both, or documentation of completion from a local authority or contractor.

§113.109. LOAN ADVANCES

Loan advances will be made as follows for construction or modernization loans:

- (1) At the time of settlement, 30% of the total loan will be paid to the company.
- (2) When the facility construction or improvements are 50% complete and substantiated on a signed requisition and certificate from provided by the Agency, an additional 50% of the loan balance will be issued to the company.

When the facility construction or improvements are 100% complete, the company shall document the facility's completion on a signed requisition and certificate form provided by the Agency. Within 30 days of the receipt of the form, an Agency representative either conducts a final inspection of the facility or the Agency may accept a copy of the official Department of Labor and Industry inspection letter or a copy of the official certificate of occupancy, if applicable, or documentation of completion from a local authority or contractor. After the necessary documentation is received and the final inspection is made or the certificate of occupancy is received, the Agency will release the remaining balance of the loan to the company.

§113.110. CONDITIONS PRECEDENT TO FINAL PAYMENT

- (a) The company shall procure and retain in its possession necessary certificates, opinions of counsel, permits, letters, grants, authorizations and resolutions, loan guarantees and approvals from governmental authorities relating to the construction of the project and the improvements. The Agency may require copies of certificates, opinions of counsel, permits, letters, grants, authorizations, and resolutions, loan guarantees, and approvals from governmental authorities before the final payment is made.
- (b) The construction or improvement project shall comply with applicable building, zoning, flood plain and planning statutes, ordinances, regulations, and restrictions.
- (c) The construction or improvement project shall be completed in accordance with the plans and specifications and shall be ready for occupancy before final payment.

APPARATUS EQUIPMENT LOANS

§113.201. LOAN AUTHORIZATION

The Agency is authorized to make loans which will assist in the purchase of firefighting apparatus equipment, ambulances, rescue vehicles, utility vehicles, and special service vehicles.

§113.202. LOAN AMOUNTS

- (a) The amount of a loan for the purchase of a new Aerial Apparatus will not exceed \$350,000 or 50% of the total cost of the apparatus, whichever is less.
- (b) The amount of a loan for the purchase of a new Heavy-Duty Rescue will not exceed \$250,000 or 50% of the total cost of the apparatus, whichever is less.
- (c) The amount of a loan for the purchase of a new Pumper, Tanker, Pumper/Tanker, Utility, or Special Service vehicle will not exceed \$250,000 or 50% of the total cost, whichever is less.
- (d) The amount of a loan for the purchase of a Light Duty Rescue will not exceed \$125,000 or 50% of the total cost, whichever is less.
- (e) The amount of a loan for the purchase of used firefighting apparatus equipment will not exceed \$200,000 or 80% of the total cost of the equipment, whichever is less.

- (f) The amount of a loan for the purchase of a new or used ambulance or a new or used rescue vehicle will not exceed \$125,000 or 50% of the total cost of the equipment, whichever is less.
- (g) The amount of a loan for the repair or rehabilitation for single existing apparatus equipment will not exceed \$80,000 or 80% of the cost of repair or rehabilitation, whichever is less. The company shall return the rehabilitated apparatus equipment to first line status and shall retain it in such status for the period of the loan.
- (h) The amount of a loan for the purchase of a new or used watercraft rescue vehicle will not exceed \$35,000 or 50% of the total cost of the watercraft rescue vehicle, whichever is less.
- (i) Notwithstanding any other provision of this section to the contrary, the maximum amount of any loan to a fire company or ambulance service company for the purchase of firefighting apparatus, ambulances or rescue vehicles manufactured or assembled in this Commonwealth may exceed the loan limits set forth in this section by \$20,000. For the purposes of this subsection, “manufactured or assembled in this Commonwealth” means any firefighting apparatus, ambulance, or rescue vehicle that has at least 75% of the cost of its chassis, frame, and other component parts, including permanently attached equipment or apparatus parts, in the aggregate, either manufactured or assembled by a person doing business solely in this Commonwealth, or by a business or corporation which is located in this Commonwealth.
- (j) To determine the applicability of subsection (h) to a loan application, the company will be required to provide documentation, when it submits its final application forms as listed in §113.5 (relating to final application procedure), that 75% of the cost of the manufacture or assembly of the firefighting apparatus, ambulance or rescue vehicle occurred in this Commonwealth. Each manufacture or assembly project, together with contract specifications and cost invoices, will be reviewed by the Agency to determine whether the project is entitled to the additional \$20,000 loan amount.

§113.203. PROCEEDS OF LOAN

- (a) Proceeds of the loan may be used for the purchase of firefighting apparatus equipment; ambulances; rescue vehicles; utility vehicles, and special service vehicles as specifically described on the loan application and loan agreement.
- (b) Proceeds of the loan may be used for the refinancing of debts incurred with a lending institution or contracts entered into after November 4, 1975 and used for the purchase of firefighting apparatus equipment; ambulances; rescue vehicles; utility vehicles, and special service vehicles or for modification of apparatus equipment to comply with NFPA standards.
- (c) Proceeds of the loan may be used for the repair or rehabilitation of existing apparatus equipment; ambulances; rescue vehicles; utility vehicles and special service vehicles if it has been determined in writing by an authorized representative of the repair or rehabilitation facility that the existing apparatus no longer meets the standards of the NFPA and that the repair or rehabilitation, or both, of such equipment will bring it into compliance with NFPA standards.

- (d) Proceeds of the loan may be used for the purchase of used firefighting apparatus equipment, a used ambulance, or a used rescue vehicle if the used apparatus equipment or vehicle meets applicable NFPA standards before it is purchased by the company. A company that purchases a used apparatus equipment or vehicle and then either plans to repair or rehabilitate the used apparatus equipment or vehicle or has the used apparatus equipment or vehicle repaired or rehabilitated to bring it into compliance with NFPA standards is not eligible for a loan to purchase the used apparatus equipment or vehicle. The company may only apply for a loan to repair or rehabilitate the used apparatus equipment or vehicle.

Amended on June 25, 1999 by Act 32. The amendment establishes 1991 as a base standard for used apparatus & provides a twelve-year "window" beginning with the 1991 standards.

§113.204. SPECIFICATIONS

- (a) The company shall submit one complete set of specifications of the new firefighting apparatus equipment; new ambulance; new rescue vehicle; new utility vehicle, or new special service vehicle.
- (b) For the repair or rehabilitation of existing apparatus equipment; ambulance; rescue vehicle; utility vehicle; or special service vehicle, the company shall submit one complete set of specifications along with three estimates from qualified manufacturers for the repair or rehabilitation. If less than three estimates are available, a statement shall be submitted explaining the reason why there are less than three.
- (c) For used apparatus equipment; ambulance; rescue vehicle; utility vehicle or special service vehicle, the company shall submit one complete set of specifications or other documents which indicates that the vehicle has a sufficient number of seats in an enclosed area for the maximum number of persons who may ride on the vehicle at any time.

§113.205. COMPLIANCE

- (a) Firefighting apparatus equipment to be purchased shall comply with the applicable NFPA Standard. The company shall provide to the Agency, either prior to or at the loan settlement, a factory certification or the written results of any pump or aerial test conducted by the manufacturer of the apparatus equipment or by an independent testing organization at the time that the company accepts delivery of the new, used, or rehabilitated apparatus equipment from the manufacturer or other party. If more than 1 year has transpired between the date of acceptance of a used or rehabilitated apparatus equipment and the date of the loan settlement, the pump or aerial test shall be conducted by an independent testing organization not more than 90 days prior to the date of settlement.
- (b) A company requesting a loan for the purchase of an ambulance shall select a vehicle which substantially complies with the requirements of the United States Department of Transportation/National Highways Traffic Safety Administration as described in "Federal Specifications - Ambulances; KKK-A-1822F", issued August 2007, and amendments thereto, except when the specifications are contrary to 75 Pa. C.S. §§101-9701 (relating to the Vehicle Code).

- (c) On forms provided by the Agency, the company shall supply information concerning the purchase of the ambulance to the Agency. The Agency may forward this information to an Emergency Health Service Council having jurisdiction in the service area of the company.

§113.206. PREREQUISITE MATERIALS

- (a) As a prerequisite to final settlement, the company shall deliver the promissory note, security agreement and financing statements describing the specific equipment, which shall be filed with the Corporation Bureau, Department of State and the prothonotary's office in the county where the equipment is physically house or used, and all other documents in conformity with 13 Pa. C.S. Division 9 (relating to secured transactions, sales of accounts, contract rights and chattel paper) necessary to create and perfect a security interest in favor of the Agency in all personality acquired in whole or in part by the company with proceeds from the Agency loan.
- (b) If any portion of the proceeds of any Agency loan is used by the company for the purchase or rehabilitation of any motor vehicle, the company shall supply to the Agency the title to the vehicle being purchased or rehabilitated and the document necessary to record a valid lien encumbrance in favor of the Agency. If the Agency is supplying secondary and minority funding, the Agency will become holder of a second lien encumbrance. When the Agency is providing primary and majority or equal funding, the Agency will become the holder of a first lien encumbrance.

§113.207. INSURANCE

The company shall maintain insurance in form and substance satisfactory to and in amounts required by the Agency, evidenced by a certificate of insurance furnished by the company for the benefit of the Agency, other encumbrance holders and the company, including a representation without limitation that, if a portion of the proceeds of the loan is used by the company for the purchase or rehabilitation of any motor vehicle, the company shall maintain liability insurance pursuant to the laws of the Commonwealth and collision insurance designating the Agency and any other encumbrance holder as loss payee on the policy. The certificate of insurance shall contain a statement or rider that the insurance company shall give the Agency 30 days advance notice whenever the amount of insurance coverage or other terms of the insurance are modified or canceled.

PROTECTIVE, ACCESSORY AND COMMUNICATIONS EQUIPMENT LOANS

§113.301. LOAN AUTHORIZATION

The Agency is authorized to make loans which will assist in the purchase of protective, accessory, and communication equipment.

§113.302. LOAN

Loans for protective, accessory, and communication equipment will not exceed \$25,000 and shall be for a period not to exceed 10 years.

§113.303. PROCEEDS OF LOAN

Proceeds of the loan shall be used for the purchase of protective, accessory, and communication equipment as specifically described in the loan application and loan agreement.

§113.304. APPLICATION LIMITATIONS

No company shall receive a loan for protective, accessory, or communication equipment more than once in any 5-year period.

§113.305. EQUIPMENT COMPLIANCE

- (a) A company shall select protective and accessory equipment that meets the standards of the NFPA or any federal agency or the requirements of one of the Nationally recognized testing organizations, in particular Underwriters Laboratories. This equipment may be used for the protection of hazardous material response team members if the equipment meets standards developed under the authority of the Hazardous Material Emergency Planning and Response Act (35 P.S. §§6022.101-6022.307).
- (b) A company must select communications equipment that complies with the Federal Communications Commission regulations, 5 C.F.R. Part 89 or its successor or applicable requirements developed under the authority of the Public Safety Emergency Telephone Act or Agency directives or guidelines.
- (c) A company shall select communications equipment, in particular radio receivers and transmission equipment, that have the standard approved dispatch frequencies and the county-wide fire coordination or dispatch frequency that is used within the company's area of operations.

§113.306. PREREQUISITE MATERIALS

As a prerequisite to final settlement, the company shall deliver the promissory note, security agreement, and financing statement describing the specific equipment, which shall be filed with the Corporation Bureau, Department of State, and the prothonotary's office in the county where the equipment is physically housed or used, and all other documents in conformity with 13 Pa. C.S. Division 9 (relating to secured transactions, sales of accounts, contract rights and chattel paper) necessary to create and perfect a security interest in favor of the Agency in all personality acquired either in whole or in part by the company with proceeds from the Agency loan.

§113.307. INSURANCE

The company shall maintain insurance in form and substance satisfactory to, and in amounts required by, the Agency evidenced by a certificate of insurance furnished by the company for the benefit of the Agency, other encumbrance holders, and the company. The agency shall be listed as loss payee on the policy or certificate of insurance. The certificate of insurance shall contain a statement or rider that the insurance company shall give the Agency 30 days advance notice whenever the amount of insurance coverage or other terms of the insurance are modified or canceled.