

## Annual Loan Review

**WIFA Policy #: III.2**

**Purpose:**

*Establish policy to define the annual loan review content and schedule.*

**Policy:**

Each year WIFA staff will initiate an annual financial assistance review of all loans.

WIFA will confirm the category of each loan reviewed as either Qualified or Not Qualified in accordance with Policy III.9.

In accordance with Procedure III.2.1, the annual loan review shall include:

- Review of material events
- Review of most recent financial statements
- Review of outstanding balance of loan
- Review of debt service reserve
- Confirm/verify debt service coverage ratio for current and projected years
- Review payment history and timeliness

Based on the annual loan review findings, WIFA staff may:

1. Take all necessary actions to compel conformance with the loan agreement.
2. De-obligate loan balances.
3. Notice interested parties in accordance with WIFA's Master Indenture about actions to reclassify loans to or from Qualified and Not Qualified.

**Responsibility:** Chief Financial Officer

**Statutory Reference:** A.R.S. Title 49, Chapter 8

**Rule Reference:** NA

**Original Issue Date:** February 15, 2006

**Previous Amendment Date(s):** April 18, 2007, October 20, 2010

**Most Recent Amendment Date:** October 17, 2012 (*Replaces All Previous Versions*)

**Approval:**



Executive Director

Date

