

Borrower Late Payment Fees

WIFA Policy #: V.9

Purpose:

To provide guidance should WIFA assess borrower late payment fees.

Policy:

The following policy establishes the management and assessment of late payment fees incurred by WIFA borrowers due to a late debt service payment.

Section 1. Invoice Terms

All WIFA borrower debt service payments are expected in full on the due date. WIFA borrower debt service invoices are sent out by fax or email at least 10 business days prior to the payment due date to allow ample time for both borrower review and payment.

Section 2. Late Payment Fees

1. There are two parts to WIFA late payment fees.

Part A - The borrower shall pay the greater of \$25.00 or 3% of the payment outstanding if payment is not received on or by due date.

Part B - The borrower shall pay an additional 6% per annum on the past due amount outstanding until payment received.

Past Due Amount * $\frac{.06}{360}$ * Days Delinquent = Late Payment Fee (Part B)

2. WIFA will provide notice to the borrower that the payment is delinquent and upon the receipt of current payment, the borrower will be invoiced separately for applicable late payment fees.
3. Penalties apply equally for governmental and non-governmental loans as well as monthly, semi-annual, and quarterly payments loans.
4. The late payment fees are to be deposited into the respective fund fee account.
5. Failure to pay within 30 days may cause WIFA to enforce default loan provisions as set forth in the loan documents.
6. Borrower disbursements may not be authorized by the WIFA Executive Director if there is any payment outstanding to the Authority.
7. Late payment fees are to be approved, in writing, by the WIFA Executive Director.

Section 3. Disputes

All borrower disputes must be submitted to the Executive Director, in writing, within 15 calendar days of being invoiced for the late payment fees.

WIFA staff will be directed to make any modifications legally necessary to enforce this policy on existing borrowers as well as modify future loan documents to reflect the same.

Responsibility: Controller

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

Rule Reference: N/A

Original Issue Date: December 1, 2004

Previous Amendment Date(s): August 17, 2011

Most Recent Amendment Date: October 6, 2017 (*Replaces All Previous Versions*)

Approval:



Executive Director

10/6/17

Date