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## 40 C.F.R. § 35.3565

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### Specific cash draw rules for authorized types of assistance from the Fund.

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A State may draw cash for the authorized types of assistance from the Fund described in § 35.3525 according to the following rules:

- (a) *Loans*—(1) *Eligible project costs*. A State may draw cash based on the proportionate Federal share of incurred project costs. In the case of incurred planning and design and associated pre-project costs, cash may be drawn immediately upon execution of the loan agreement.
- (2) *Eligible project reimbursement costs*. A State may draw cash to reimburse assistance recipients for eligible project costs at a rate no greater than equal amounts over the maximum number of quarters that capitalization grant payments are made. A State may immediately draw cash for up to 5 percent of each fiscal year's capitalization grant or 2 million dollars, whichever is greater, to reimburse project costs.
- (b) *Refinance or purchase of local debt obligations*—(1) *Completed projects*. A State may draw cash up to the portion of the capitalization grant committed to the refinancing or purchase of local debt obligations of municipal, intermunicipal, or interstate agencies at a rate no greater than equal amounts over the maximum number of quarters that capitalization grant payments are made. A State may immediately draw cash for up to 5 percent of each fiscal year's capitalization grant or 2 million dollars, whichever is greater, to refinance or purchase local debt.

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