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**IDAPA 16
TITLE 06
Chapter 06**

**16.06.06 - RULES FOR LOANS TO GROUP HOMES
FOR RECOVERING ALCOHOL AND DRUG ABUSERS**

000. LEGAL AUTHORITY.

Under authority vested in the Board of Health and Welfare by Chapter 1, Title 39, Idaho Code, and the Anti-Drug Abuse Act of 1988 (P.L. 100-690) the Board of Health and Welfare adopts these rules for provision of small start-up loans to groups of recovering individuals operating a self-supported and self-run alcohol and drug free group home. (12-30-89)

001. TITLE.

These rules shall be known as Idaho Department of Health and Welfare Rules, IDAPA 16, Title 06, Chapter 06, "Rules for Loans to Group Homes for Recovering Alcohol and Drug Abusers." (12-30-89)

002. PURPOSE.

It is the purpose by these rules to establish the procedure to be followed by nonprofit private entities to establish programs for the provision of housing in which six (6) or more individuals recovering from alcohol or drug abuse may reside. These rules are to implement the Anti-Drug Abuse Act of 1988. (7-27-94)

003. DEFINITIONS.

01. Alcohol and Drug Free. The prohibition of the use of alcohol or any illegal drug in the housing provided under the program. Any resident who violates such prohibition will be expelled from the housing. (12-30-89)

02. Applicant. Any nonprofit private entity making application for loan funds. (12-30-89)

03. Borrower. Any nonprofit private entity who is the recipient of a loan for a group home. (12-30-89)

04. Department. The Idaho Department of Health and Welfare. (12-30-89)

05. Director. The Director of the Idaho Department of Health and Welfare or his designee. (12-31-91)

06. Group Home. Housing for six (6) or more recovering individuals that is self-run and alcohol and drug free. The cost of housing, including fees for rent and utilities, will be paid by the residents of the housing. A group home is not a treatment facility. (7-27-94)

07. Group Home Loan. A loan made from a revolving fund that does not exceed four thousand dollars (\$4,000) and that shall be repaid through monthly installments to the revolving fund and within two (2) years of the date on which the loan was made. (12-30-89)

08. Group Home Residents. Individuals who are recovering from alcohol or drug abuse and who may reside in groups of not less than six (6) individuals in one (1) group home. (7-27-94)

09. Housing. Permanent, independent living units with facilities for cooking, lavatories, bedrooms to appropriately accommodate a minimum of six (6) residents, and common living areas. In the case of a complex-type apartment building, each independent unit (as defined herein) is considered one (1) unit of housing. (7-27-94)

10. Revolving Loan Fund. An established revolving fund of at least one hundred thousand dollars (\$100,000) to provide loans to nonprofit private entities or individuals for the provision of housing for six (6) or more recovering individuals. (7-27-94)

11. Self-Run. The residents of the housing who through a majority vote establish policies governing residence in the housing, including the manner in which applications for residence are approved. (12-30-89)

004. APPLICATION AND REVIEW PROCESS.

01. Submission of Application. The applicant shall submit to the Department a completed application and all required information on forms as prescribed by the Department. (12-30-89)
02. Application Requirements. Applications shall contain a completed loan application form and the following documentation, approved or approvable by the Department in both form and content. (12-30-89)
 - a. That it is a nonprofit, private entity or individual; (12-30-89)
 - b. A tax identification number is required; (12-30-89)
 - c. Verification of financial stability such as to assure repayment of the loan. The applicant will be assessed for ability to repay the loan; (12-30-89)
 - d. Verification of the number of residents and their expected duration of residency; (12-30-89)
 - e. Verification of the location of the group home; (12-30-89)
 - f. Verification that the group home will be maintained as an alcohol and drug free environment; (12-30-89)
 - g. Verification that the residents agree to be and will remain alcohol and drug free; (12-30-89)
 - h. Verification that if any resident does not fulfill the agreement to remain alcohol and drug free that he will be expelled from the group home; (12-30-89)
 - i. Verification that the costs of the housing, including rent and utilities, will be borne by the residents; (12-30-89)
 - j. Verification that the group home will be operated as a self-run democracy; and (12-30-89)
 - k. Description of the purposes for which the funds will be used. (12-30-89)
- l. The maximum loan that can be applied for is four thousand dollars (\$4,000). Only one (1) loan shall be granted per group home. (12-30-89)
- m. Applications will be accepted on a continual basis. (12-30-89)
03. Loan Review. All loan applications will be reviewed according to established Department procedures to include an evaluation of the required verifications and the applicant's financial stability. (12-30-89)
04. Loan Approval. (12-30-89)
 - a. When loan applications are approved they will be funded on a first-come first-served basis until such time as the total amount in the revolving loan fund is obligated. (12-30-89)
 - b. Loan applications that are approved but not funded will be placed on a waiting list and the applicants so notified. (12-30-89)
 - c. Loans will be approved for the following purposes: security deposit, first month's rent, furniture, facility modifications such as conversion of a basement into an extra bedroom, and purchase of amenities which foster healthy living such as a dishwasher. (12-30-89)
 - d. Loans will not be approved for the following purposes: rent beyond the first month, utility bills, and purchase of real property. (12-30-89)

05. Notification of Approval. A certified letter with loan documents and notification of approval will be sent to applicants upon approval of the loan. (12-30-89)

06. Notification of Nonapproval. Applicants will be notified of nonapproval of the loan application by certified mail. (12-30-89)

07. Reapplication after Nonapproval. The action or disapproval of a loan application in no way precludes or limits the former applicant from reapplying for another loan when the application deficiencies are resolved. (12-31-91)

005. LOAN OFFER AND ACCEPTANCE.

01. Loan Offer. Loan offers will be delivered to successful applicants by registered mail. (12-30-89)

02. Acceptance of Loan. Applicants have thirty (30) days from the date of the loan notice in which to officially accept the loan on prescribed forms furnished by the Department. If the applicant does not accept the loan within the thirty (30) day period the loan funds may be offered to other applicants. (12-30-89)

03. Acceptance Executed as a Contract Agreement. Upon signature by the Director, and upon signature by the authorized representative of the qualifying entity, the loan offer shall become a contract. Upon accepting a loan offer a qualifying entity becomes a loan recipient. The disbursement of funds pursuant to a loan contract is subject to a finding by the Director that the loan recipient has complied with all loan contract conditions. No third party shall acquire any rights against the state or its employees from a loan contract. (12-31-91)

04. Terms of Loan Offers. The loan offer shall contain such terms as are prescribed by the Department but are not limited to: (12-30-89)

a. The loan interest rate for loans made during the state fiscal year beginning July 1 will be established by the Director by January 1, prior to a fixed rate in effect for the life of the loan. The rate may equal but shall not exceed the current market rate. All loans must be fully amortized within the two (2) year repayment period. The loan contract will contain a schedule of loan repayments stating the due dates and amount due. (12-30-89)

b. Special clauses as determined necessary by the Department for the successful review of the operations and conduct of the group home funded with loan funds. (12-30-89)

c. The Department's recourse for repayment default. (12-30-89)

05. Disbursement of Loan. Upon approval of the loan the loan shall be paid by the Department to the borrower in one (1) lump sum payment not to exceed four thousand dollars (\$4,000). (12-30-89)

06. Loan Repayment Requirements. (12-30-89)

a. All loans will be repaid through monthly installments so that the total loan is repaid not later than two (2) years after the date that the loan is made. (12-30-89)

b. The first monthly installment for loan repayment shall be due not later than sixty (60) days from the date of the loan. (12-30-89)

c. A late charge of twenty dollars (\$20) shall be assessed and due on all payments not made within fifteen (15) days of the due date. (12-30-89)

d. Repayment default will occur when a scheduled loan repayment is thirty (30) days past due. If default occurs, the Department may invoke appropriate loan contract provisions. (12-30-89)

006. REQUIREMENTS FOR APPLICATION FOR NEW LOANS.

01. Limits. There is no limit on the number of times an entity or individual may apply for a loan to

establish a new group home. (12-30-89)

02. Terms of New Loans. (12-31-91)

a. New loans will be granted for the purpose of establishing new housing for group homes of a minimum of six (6) recovering individuals. (7-27-94)

b. New loans will not be granted for housing for group homes which have been established with a prior loan from the revolving fund. (12-30-89)

c. Any applicant who has failed to comply with the provisions of Section 007 will not be granted any further loans. (12-31-91)

03. Procedures. Entities or individuals applying for a new loan for a group home shall follow the procedures established in Section 004. (12-31-91)

007. OPERATING PROCEDURES AND REPORTING REQUIREMENTS FOR GROUP HOMES.

01. Operation. Group homes shall establish policies and procedures to assure the group home operates in accordance with this chapter. The operation shall include, but is not limited to, the following: (12-31-91)

a. The group home will be operated as a self-run democracy; (12-30-89)

b. The residents will establish procedures in which applications for residence in the group home are approved; (12-30-89)

c. The group home will be maintained as an alcohol and drug free environment; (12-30-89)

d. The residents agree to be, and will remain, alcohol and drug free; (12-30-89)

e. If any resident does not fulfill the agreement to remain alcohol and drug free, that resident will be expelled from the group home; (12-30-89)

f. The costs of the housing, including rent and utilities, will be borne by the residents and the bills shall be paid on time; (12-30-89)

g. All appropriate and applicable local and state regulations with regard to housing shall be observed; (12-30-89)

h. The borrower shall establish procedures for complying with reporting requirements that are a condition of the loan contract; and (12-30-89)

i. A minimum of six (6) recovering individuals shall be in residence in the group home at any one (1) time. (7-27-94)

02. Reporting Requirements. (12-30-89)

a. Within ninety (90) days of receipt of the loan, the borrower shall provide to the Department written policies established by the group home residents governing residence in the housing. (12-30-89)

b. At the end of the first year of the loan, the borrower shall provide to the Department a report that contains the following information: (12-30-89)

i. The total number of residents in the group home and the length of stay of each resident during the first year; (12-30-89)

ii. If any residents left the group home before the end of the first year the report shall contain the

reasons why they left; (12-30-89)

iii. Documentation that a minimum of six (6) recovering individuals were in residence in the group home at any one (1) time. (7-27-94)

03. Quality Control. Quality control is the assurance that the group home stays alcohol and drug free, that the bills of the group home are paid, and that the group home is run democratically. Quality control shall be assured through the following procedures: (12-30-89)

a. Annual site visits by Department personnel; (12-30-89)

b. The ninety (90) day report from the borrower; and (12-30-89)

c. Annual reports from the borrower. (12-30-89)

008. SUSPENSION OR TERMINATION OF LOAN CONTRACT.

01. Causes. The Director may terminate the loan contract prior to the end of the term of the loan for failure by the borrower to perform. A loan contract may be terminated for good cause including, but not limited to, the following: (12-30-89)

a. Commission of fraud, embezzlement, theft, forgery, bribery, misrepresentation, misconduct, malfeasance, misfeasance, falsification or unlawful destruction of records, receipt of stolen property, or any form of tortious conduct; (12-30-89)

b. Commission of any crime for which the maximum sentence includes the possibility of one (1) or more years imprisonment or any crime involving or affecting the group home; (12-30-89)

c. Violation of any term of the loan contract which includes the established operating procedures for the group home. (12-30-89)

02. Notice. The Director will notify the loan recipient in writing and by certified mail of the intent to terminate the loan contract. The notice of intent shall state: (12-30-89)

a. Specific acts or omissions which form the basis for termination; and (12-30-89)

b. Availability of a hearing. (12-31-91)

03. Determination. Upon the proof of existence of cause(s) for termination of the loan contract by substantial evidence or by proof of judgment or conviction of offense(s), the Director shall make a written determination, sending the determination to the loan recipient by certified mail within seven (7) days of the hearing. (12-30-89)

04. Reinstatement of Terminated Loan Contract. No terminated loan contract shall be reinstated. Any remaining balance due on a terminated loan contract will be due and payable immediately upon determination against the borrower. (12-30-89)

05. Recovery of Costs. The borrower shall be responsible to pay any attorney fees associated with actions taken against the borrower by the Department. (12-30-89)

009. -- 995. (RESERVED).

996. ADMINISTRATIVE PROVISIONS.

Hearings and appeals shall be governed according to the provisions of Idaho Department of Health and Welfare Rules, IDAPA 16, Title 05, Chapter 03, Sections 000, et seq., "Rules Governing Contested Cases and Declaratory Rulings." (12-31-91)

997. CONFIDENTIALITY.

Information received by the Department from loan applicants and recipients is subject to the provisions of Idaho Department of Health and Welfare Rules, IDAPA 16, Title 05, Chapter 01, "Rules Governing Protection and Disclosure of Department Records." (12-30-89)

998. INCLUSIVE GENDER AND NUMBER.

As used in these rules, the masculine, feminine, or neuter gender, and the singular or plural number, will each be deemed to include the others whenever the context so requires. (12-30-89)

999. SEVERABILITY.

Idaho Department of Health and Welfare Rules, IDAPA 16, Title 06, Chapter 06, are severable. If any rule, or part thereof, or the application of such rule to any person or circumstance, is declared invalid, that invalidity does not affect the validity of any remaining portion of the chapter. (12-30-89)