**Section 366.105 Funding Allocations**

a) In the development of its priority list, the Agency will allocate available loan funds to the four major classes of projects in proportion to the relative needs of the State for each project class, subject to the limitations of Section 602(b)(6) of the Clean Water Act (33 U.S.C. 1382(b)(6)).

b) Annual allocations of available loan funds to each class shall initially be made on the basis of State wastewater needs as identified in the pre-applications for projects that qualify for inclusion on the Intended Use Plan for that fiscal year in accordance with the requirements of 35 Ill. Adm. Code 365.410(c).

c) After January 1 of each fiscal year, the Agency may adjust its allocations of available funds among project classes in the Intended Use Plan (see 35 Ill. Adm. Code 365.420) to reflect the relative needs contained in completed loan applications, subject to the overall availability of loan funds for that fiscal year.

d) Loan funds available from State and federal appropriations during the capitalization period authorized by Section 607 of the Clean Water Act to capitalize the Water Pollution Control Revolving Fund will be subject to an equal division between the service area of the Metropolitan Water Reclamation District of Greater Chicago and the area which is comprised of the geographical balance of the State, to the extent that projects in either area in any fiscal year have qualified to receive loan assistance and are ready to proceed in accordance with the criteria for loan award (see 35 Ill. Adm. Code 365.430).

e) If sufficient projects in either area are not able to complete a loan application in any fiscal year to permit an equal division of the above funds, loans will be made to those projects which are able to complete a loan application to the extent that the appropriated funds are available.

f) Any imbalance in the division of the total loan funds appropriated during the capitalization period authorized by the Clean Water Act to capitalize the Water Pollution Control Revolving Fund shall be carried forward from year to year and shall be applied as projects are able to complete a loan application to achieve an accumulatively equal distribution subject to the constraints of Section 366.106 of this Part.

(Source: Section 366.105 renumbered from Section 366.104 and amended at 20 Ill. Reg. 15598, effective November 26, 1996)