

Washington State Recovery Residence Operating Loan Revolving Fund application

1

Recovery Residence information

HCA application/loan number to be filled out by HCA		Non-profit ID number
Name of residence		Name of owner
Address of residence		Address of owner
City/state/ZIP code		City/state/ZIP code
County	Tax ID no.	Telephone no. of owner
Residence Telephone no.	Email address	Website (if applicable)

2

How much you will need

Total amount requested *may not exceed \$4,000*

\$

Amount of check to residence to be filled out by HCA

\$

Narrative: Describe the purpose of the loan for the residence and any start-up expenses. Attach list and show cost of each item. Please use additional sheets if necessary

Annual business revenue:

Are you able to repay loan with 24 months:

Yes

No

Attach list annual business expenses

Repayment terms: (check one)

6 months

12 months

18 months

24 months

3

Tell us about your house

Date of occupancy	Number of bedrooms	Number of baths	
Number of other rooms	Utilities (gas, electric, etc.)		
House for men or women?	Men	Women	
Is house a single family detached?	Yes	No	
Does house have a full kitchen?	Yes	No	
Is there a basement?	Yes	No	
Is residence a condominium or coop?	Yes	No	
Heating (gas, oil or electric)	How many single beds will the residence accommodate?		
Is there space for parking? How many cars?	Is there a second exit?	Cooking (gas or electric)	
Name of cross street #1 <i>(nearest intersection)</i>	Name of cross street no. 2 <i>(closest intersection on other side)</i>		

4

Mortgage/lease and estimated operating costs

Terms of mortgage/lease (years)	Is lease renewable?	Monthly mortgage/rent:
Security deposit (if applicable):	Other fees	
Estimated utility costs	Estimated fuel cost	
Estimated water cost	Garbage collection cost	

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Applicant contact information

Contact name			
Daytime telephone	Date of birth		
Address			
City	State	ZIP code	

Form must be completely filled in. The applicant must sign below to certify the honesty of the information provided on page 2.

We the undersigned hereby certify that we are serving those recovering from addiction to alcohol and/or drugs, and are part of a duly recognized non-profit organization. We further certify we understand the funds advanced to the applicant under the terms of this program must be repaid according to the schedule agreed upon herein, and the applicants shall be responsible for the prompt monthly payments until the full outstanding balance of the loan has been repaid. The applicant also certifies their intent to complete and sign a promissory note in addition to this application.

Applicant signature

Date

Applicant check list (read carefully)

- | | | |
|---|-----|----|
| 1. Has this application form been completed fully -- have all applicants filled in page 2 and signed page 3 in the spaces above? | Yes | No |
| 2. Have you enclosed a copy of your current or proposed lease? The lease must be in the name of the recovery residence operator shown on page 1 of the application (if applicable) | Yes | No |
| 3. Is the lease correctly signed? (if applicable) | Yes | No |
| 4. Is the lease for a minimum of two (2) years? (if applicable) | Yes | No |
| 5. Are you part of a duly qualified non-profit organization? Please provide verification of non-profit status from the office of the Washington Secretary of State . | Yes | No |
| 6. Have you provided a copy of your current business license or number and expiration date? | Yes | No |
| 7. Will your house be financially self-supporting (to include fundraising funds as well)? | Yes | No |
| 8. Do you allow for medication assisted treatment? Please include policies and procedures. (required) | Yes | No |
| 9. Will there be at least six (6) recovering individuals residing in the house? | Yes | No |
| 10. Have you included the loan application narrative? Narrative should include specifics on how you are going to use the loan and costs of items. | Yes | No |
| 11. Have you provided the policies and procedures for the residence operation? | Yes | No |
| 12. Is your Level 1 or 2 Recovery Residence already included on the State's registry? If not, please have WAQRR provide a letter of proof stating you are working towards inclusion on the registry." | Yes | No |
| 13. Please send completed application and all necessary documents to the Recovery Residence team at HCARecoveryResidence.DBHR@hca.wa.gov | Yes | No |

Promissory Note and Loan Agreement

THIS PROMISSORY NOTE AND LOAN AGREEMENT (hereinafter “Note”) is by and between the undersigned maker (hereinafter “Borrower”) and the State of Washington through the Health Care Authority (hereinafter “HCA”), as a Recovery Residence Loan (hereinafter “Loan”).

WHEREAS, the purpose of the Loan is to assist with the operating costs of establishing recovery residences in which individuals recovering from substance use may reside in groups of not less than six (6) individuals and to maintain an active status on the Recovery Residence Registry (“Registry”) and;

WHEREAS, the Borrower has voluntarily elected to participate in the Loan program and to receive the Loan thereunder;

NOW, THEREFORE, for and in consideration of the Loan provided for herein, the Borrower agrees to repay the total principal amount of all funds advanced to the Borrower under this Note, in the amount up to Four Thousand Dollars (\$4,000) based on the amount approved pursuant to your application and agrees to meet the qualifications and operating requirements of the Loan, and the terms of this Note:

Borrower’s Signature

Date (mm/dd/yyyy)

HCA Contracts Administrator Signature

Date (mm/dd/yyyy)

Terms and Conditions

The Borrower’s failure to comply with any condition specified in this section shall be a default hereunder. In the event that HCA determines such a default has occurred, HCA shall notify the Borrower in writing of this determination. Upon HCA giving such notice, all sums shall be due and payable.

1 Amendment

This Note may be altered, amended or modified only in writing signed by all of the parties hereto, and any written waiver of any requirement by all parties shall be for that one (1) occasion and shall not be continued unless expressly written in writing.

2 Binding effect

This Note shall be binding upon the Borrower and shall insure to the benefit of and be enforceable by HCA, its successors, transferees, and assigns.

3 Default

In the event of a default, HCA may declare the entire unpaid amount of indebtedness evidenced by this Note as immediately due and payable. A default hereunder shall preclude further participation by the Borrower in the Operating Recovery Residence Revolving Loan program. The following events, in addition to those otherwise set forth herein and not by way of limitation, shall be considered a default hereunder:

- A. Failure to comply with any of the terms and conditions stated herein;
- B. Failure to notify HCA of a change in the Borrower’s name, address, telephone number or legal status within thirty (30) days of the change;
- C. Revocation of accreditation with the Washington Alliance of Quality Recovery Residences (WAQRR) of failure to receive accreditation within ninety (90) days of receipt of the Loan; see Section 17
- D. Allowing the use of alcohol or illegal drugs on the premises;
- E. Any representation, warranty or statement made or furnished by or on behalf of the Borrower in connection with this Note proving to have been false in any material respect when made or furnished;
- F. Failure to perform an obligation, liability or agreement contained or referred to herein;
- G. Failure to make payment when due; or
- H. Failure to allow residents to use any type of prescribed medication for physical health, mental health or substance use while residing in the home.

- I. Failure of HCA or any subsequent holder of this Note to exercise any option available to said holder shall not constitute a waiver of the right to exercise such option in the event of a future default. No delay or omission on the part of HCA or any subsequent holder of this Note in exercising any right hereunder shall operate as a waiver of such right or of any other right or such holder not shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.
- J. Upon default, HCA will notify the Borrower, in writing, of such default. The notice of default will be by certified U.S. mail, return receipt requested, addressed to the Borrower at the last address on file with HCA. Refusal of non-delivery at that address shall be deemed delivery after seven (7) days. Upon default, HCA may disclose that the Borrower had defaulted, along with other relevant information, to employment and credit bureau organizations.

4 Operating requirements

At all times during each year of the Borrower's loan obligation (up to two (2) years) of this Note, the Borrower shall maintain a recovery residence and at all times adhere to the following requirements:

- A. Maintain a home-like environment that promotes healthy recovery from substance use and supports persons recovering from substance use through the use of peer recovery support; and
- B. Maintain a drug and alcohol-free environment covering all tenants, employees, staff, agents of the landlord and guests; and
- C. The home shall be peer-run, which shall mean the residents govern the home and are required to pay rent to the property owner; and
- D. The home shall operate under the rules and standards according to the Substance Abuse and Mental Health Services Administration (SAMHSA) and the National Alliance for Recovery Residences (NARR) best practices; and
- E. The residents of the home must have ready access to sobriety maintenance activities; and
- F. The home will have a written relapse plan in effect at all times. This plan is to be reviewed and made available upon request; and
- G. Allow residents to use prescribed medication for physical health, mental health and substance use while residing in house; and
- H. The homes occupancy shall be based on local residential zoning rules and should be a minimum of fifty (50) square feet of space per resident.

5 Use of loan funds

- A. Approved use of the Loan includes, but is not limited to, the following start-up costs:
 - 1. One time rent or mortgage payment
 - 2. Security deposits for utilities
 - 3. Salaries for on-site staff
 - 4. Minimal maintenance costs
 - 5. Licensing and certification fees
 - 6. Purchasing furnishings for recovery residence
- B. The Borrower shall not use Loan funds to make a payment for any service which has been, or can reasonably be expected to be, made under another state compensation program, or under any insurance policy, or under any federal or state health benefits program (including the program established in Title XVIII of the Social Security Act and the program established in Title XIX of such act), or by any entity that provides health services on a prepaid basis. Loan funds may not be used for co-payments or for the same services that can be covered under other third-party payors.
- C. The Borrower shall refund to HCA any funds unexpended within thirty (30) days after termination of this Note.
- D. The Borrower shall refund to HCA any Loan funds that were expended inappropriately upon fifteen (15) days' notice by HCA of discovery of the misappropriation.

6 General provisions

The Borrower hereby acknowledges receipt of a copy of this Note. This Note shall be deemed to have been made under and shall be governed by the laws of the State of Washington in all respects, including matters of construction, validity and performance. The indebtedness evidenced by this Note is unsecured, and the Borrower shall not be obligated to provide security for this Note.

7 Interpretation

The terms of this Note that are subject to interpretation shall be construed in the light of R.C.W 41.05.762, the legislation establishing the Recovery Residence Revolving Fund, and 42 U.S.C 300x-25, and any regulations issued by HCA for the administration of said program.

8 Invalid provision

Wherever possible, each provision of this Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of any such prohibition or invalidity, without invalidating the remainder of such provisions of this Note.

9 Late and collection charges

A late charge of ten (10) dollars on top of the installment payment may be charged on any payment received later than twenty (20) days after the due date. The Borrower promised to pay costs and expenses necessary for collection of any amount not paid when due (to the extent permitted by law) including reasonable attorney fees, whether or not suit is commenced.

10 Liability

HCA shall not be liable for any damages to the Borrower cause by:

- A. A lack of funds appropriated by the Washington State Legislature to meet HCA's obligation to make the Loan;
- B. A late disbursement of Loan amounts made under this Note;
- C. The exercise of any of HCA's rights and duties under this Note in the event of default.

11 Liability for collection expenses

The Borrower acknowledges and agrees that in the event HCA deems it necessary to refer all or any portion of the unpaid principle evidenced by this Note to an attorney or collection agency for collection, the Borrower shall be charged and bound to pay the amount of attorney and/or collection agency fees resulting from said referral. The Borrower agrees to pay all charges and other costs, including attorney fees that are permitted by federal and state law.

12 Borrower's responsibility

The Borrower hereby acknowledges and agrees that following loan disbursement, the Borrower shall:

- A. Keep a current name, address and telephone number on file with HCA;
- B. The loan will be repaid through monthly installments with funds collected from residents of the recovery home; and
- C. The loan will be repaid in full withing two (2) years after the date on which the Loan was disbursed.

13 Payment schedule

- A. Monthly payments are due every month on the twentieth (20) day of each month. If loan is issued payment schedule information will be provided.
- B. The maximum repayment period may not exceed two (2) years, divided into twenty-four (24) monthly payment periods. The Borrower shall be charged a minimum rate of Fifty and NO/100 Dollars (\$50.00) per month, unless approved by HCA.
- C. All payments will be applied in the following order: late charges and collection charges first; principle last. The Borrower is responsible for making payments on time even if the Borrower does not receive a bill or repayment invoice.
- D. The resulting payment schedule with be included as Exhibit A, if loan is issued.

14 Notice

Notices pursuant to this Note shall be in writing delivered by certified U.S. mail, return receipt requested. The last best-known address on file with HCA shall be utilized, and refusal or non-delivery at said address shall be deemed delivered after seven (7) days.

15 HCA as the state's agent

The Borrower shall provide all notices and information required in Section 3 DEFAULT and Section 12 BORROWER'S RESPONSIBILITY directly to HCA at its principal business office address.

16 Paragraph headings

The paragraph headings are for the convenience of reference only and shall not be considered terms of this Note.

17 Repayment if borrower does not receive accreditation

This Section applies to the Borrower who is withdrawn from the Registry, voluntarily or involuntarily. The Borrower has a grace period of two (2) months after the loss of accreditation to become reaccredited and included on the Registry. "Grace period" is defined as the time between withdrawal from the Registry and the time the residence in included back on the Registry:

18 Transfer

The Borrower acknowledges and agrees that HCA may transfer this Note and the underlying indebtedness, and, upon such transfer, the undersigned shall have the same rights and responsibilities with regards to the new holder ("Transferee") that the Borrower had in regard to HCA.

This Note is non-transferable by the Borrower. If Borrower sells property or the residence is not long used as a recovery residence on the Registry than the Loan must be repaid in full within thirty (30) days' notice from HCA.

It is within HCA's, or the Transferee's, sole discretion to offer a repayment plan.