occasions where some or all of our employees and their dependants have had to get away from their mission on very short notice. The main cause of emergency evacuation has been a state of war or a level of hostilities considered dangerous to public safety. However, it is also possible that evacuation may be necessitated by natural acts such as earthquakes or flooding.

In general, instructions are similar to those contained in FSD 15 but special procedures and authorities are included to cover exceptional hardships. For example, you are deemed to be on temporary duty until you are resettled; you may be eligible for larger accountable advances and recovery of your posting loan balance is held in abeyance. As in the case of claims for damage or loss following relocation, your inventory of personal effects is very important in order to obtain adequate compensation under this Directive. If your possessions are subsequently recovered, you will have to decide as to whether or not you wish them returned. Compensation may change depending on your decision and you may end up in a position of having to repay some money if you used your accountable advances to acquire replacement items and subsequently took possession of your original effects.

FSD 66 — Death Abroad of Employee or Dependant

FSD 66 covers special provisions to assist the survivors in the event of the ultimate crisis. In general terms, this means the employer will authorize payment of essential costs in excess of those costs that would normally have been incurred had death occurred in Ottawa. (For detailed information, see the section on Death Abroad in Chapter 5.)

2.11 Posting Loans

Moving abroad can involve considerable cash outlays for various items you and your family will need during the course of your posting. FSD 10 recognizes this by making provisions for you to obtain a loan at a preferred rate of interest. Remember that the loan is not insured and in the event of death it is payable in full.

Maximum Amount of Loan

Under the 1993 Directives, the maximum amount you may borrow during any one posting is set at the time your loan is granted, and may not exceed the lessor of 50 per cent of your gross annual salary at that time or $24,989 (effective April 1, 1994). Posting loans are adjusted on April 1 of each year and the maximum amount of a loan is published in the monthly *Schedules to Foreign Service Directives and Meal Rates*. Where a posting loan has been granted for less than the maximum, you have the option, on one occasion only, of increasing the original amount of the loan to the maximum allowable at the time the loan was originally granted (i.e. "topping up"). This option is not available if you have already repaid your original loan in full.

Calculation of Interest

At the beginning of every quarter in the Fiscal Year (the first day of April, July, October and January), the interest rate is prescribed by the Department of Finance to reflect the average interest rate on 90-Day Treasury Bills during the first month of the preceding quarter. It is generally preferential compared to rates charged by commercial banks and lending institutions, often as much as 4 per cent lower than their rates for unsecured loans. In fact, this rate is the lowest that can be offered without creating a taxable benefit for the borrower.

The interest rate on posting loans is published in the monthly *Schedules to Foreign Service Directives and Meal Rates*, the rate for each new quarter generally being announced in the Schedules of the last month of the previous quarter.

The interest rate on a loan remains fixed for the duration of the repayment period unless the loan is renegotiated. The interest rate then in effect is applied to the total amount, for example, the additional amount being borrowed plus the outstanding balance of the original amount. You may have the option, once during the repayment period (except during the last 12 months), of having the outstanding balance of your posting loan recalculated to take advantage of a lower interest rate.

Another feature is that interest is not charged until the first day of the month in which recovery begins. To get the most from this benefit, try to arrange for your loan to be issued as early in the month as possible.