

## Minnesota Governmental Agency Finance Group Flexible-Term Finance Program

Finance your next project with tax-exempt loans through the  
Minnesota Governmental Agency Finance Group ("MGAFG")!

The Minnesota Governmental Agency Finance Group ("MGAFG") was created in July of 2005 to provide assistance to communities in obtaining competitive financing for a variety of capital improvement projects. The Program is structured as a tax-exempt pooled financing, with the MGAFG as the Program Administrator and Issuer.

### Eligible Projects:

- Water and Wastewater projects
- Street reconstruction and maintenance
- Land and building acquisition
- Equipment purchases and repairs
- Refunding of existing debt

### Types of Security:

- Special Assessments
- General Obligations ("G.O.")
- G.O. with a Revenue Pledge
- Revenue obligation
- Revenue obligation with a G.O. Pledge

### Terms:

Interest rate:	Market rates (AA- rating, Standard & Poor's) set at pricing
Minimum payback period:	1 year
Maximum payback period:	26 years

### Specifics:

- Low, fixed tax-exempt interest rates
- Participants do not borrow a debt service reserve, but they have access to a Program level reserve in the event of a default
- Long-term, underlying bond rating of "AA-" from Standard & Poor's, regardless of borrower's credit rating
- No cross liability for individual borrowers
- No minimum or maximum loan size required
- Loan may be used in conjunction with other funding sources
- Low costs of issuance – the Program passes on economies of scale
- Refundings of existing debt and leases permitted in Program

### Other Information:

- The Program has an annual trustee fee of \$250 for loans less than \$500,000, \$350 for loans between \$500,001 and \$1,000,000, and \$450 for loans over \$1,000,000.
- Turnaround time for funding is approximately 1 ½ to 3 months.
- Loans are made in increments of \$1,000.
- Construction funds will be made available the day of closing for all loans. For G.O. loans, Special Assessments, or loans with a G.O. pledge, the borrower has the option to retain their construction funds in their account at Regions Bank or make a full withdrawal of their construction funds upon closing. For a loan with a security based solely on revenues of a system, construction funds will be disbursed from the borrower's account at Regions Bank on a requisition basis as they are requested. All interest earnings in a borrower's account at Regions Bank are credited to the borrower. Statements will be mailed quarterly, unless monthly statements are requested.
- Semi-annual interest and annual principal payments are due on March 1 and September 1, payable a month in advance by ACH wire transfer.