

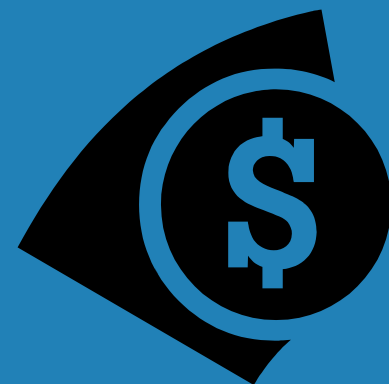
**Aging Infrastructure Workshop–
October 11, 2007**

***Financing Options of
the Maine Municipal
Bond Bank***



PRESENTATION OUTLINE

- Ω **SRF IN A NUTSHELL**
- Ω **CREDIT CONSIDERATIONS**
- Ω **GRANT EQUIVALENCY**
- Ω **OTHER MMBB PROGRAMS**





SRF IN A NUTSHELL

❧ PROJECT MUST BE ELIGIBLE AND ON INTENDED USE PLAN FOR THE PROGRAM

❧ FUNDS ARE AVAILABLE YEAR ROUND ONCE ON PROJECT LIST

❧ MUST COMPLETE MMBB FINANCIAL APPLICATION AVAILABLE AT *MMBB.COM*

❧ REQUESTS FOR FUNDING ARE REVIEWED ONCE A MONTH BY MMBB BOARD

SRF IN A NUTSHELL



∞ INTEREST RATE IS FIXED AT 2% BELOW TAX-EXEMPT MARKET RATE

∞ ANY FEES CHARGED ARE ALSO FACTORED INTO THE INTEREST RATE SUBSIDY

∞ MAXIMUM LOAN TERM IS 20 YEARS (UNLESS DISADVANTAGED SYSTEM)

∞ MOST LOANS CAN BE PREPAID IF NECESSARY

SRF IN A NUTSHELL



∞ LOAN STRUCTURE IS FLEXIBLE –OUR GOAL IS TO WORK WITH THE BORROWER NEEDS

∞ INTERIM CONSTRUCTION OR PLANNING LOANS ARE AVAILABLE

∞ DEFERRED OR STEPPED IN PAYMENTS ARE AVAILABLE

∞ IN ALL CASES, PAYMENT OF COSTS INCURRED ARE ON A REIMBURSEMENT BASIS

CREDIT CONSIDERATIONS



∞ **COMMERCIAL
CONCENTRATION OF TAX
BASE OR SYSTEM USERS**

∞ **RATIO OF DEBT PER CAPITA
OR PER SYSTEM USER – CAN
USERS TAKE ON MORE DEBT
LOAD**

∞ **CHANGES IN THE SYSTEM
DUE TO POPULATION OR
BUSINESS GROWTH IN THE
AREA**

∞ **AVAILABILITY OF RESERVES-
e.g., FUNDED DEPRECIATION
ACCOUNT OR STRONG
UNDESIGNATED FUND
BALANCE**

CREDIT REQUIREMENTS



Ω REQUIRE THREE YEARS AUDITED STATEMENTS PLUS AUDITS THROUGHOUT LIFE OF LOAN

Ω SINGLE AUDIT MAY APPLY TO BORROWERS RECEIVING CERTAIN AMOUNT OF FEDERAL FUNDS

Ω MORTGAGES ARE REQUIRED FOR LOANS TO PRIVATE ENTITIES AND FOR LAND ACQUISITION PROJECTS

Ω ALL BORROWERS ARE REQUIRED TO HAVE LOCAL BOND COUNSEL TO COMPLETE LOAN DOCUMENTATION

GRANT EQUIVALENCY



CWSRF ESTIMATED SUBSIDY PROVIDED FOR FISCAL YEAR 2005-2006

	Loan Amount	Market Rate	SRF Rate and Fees	Interest cost at market rates	Cost of Interest and fees at SRF rate	Subsidy Provided
Anson Madison Sanitary District	\$ 1,279,780.00	4.29%	2.29%	\$ 652,268.60	\$ 327,668.29	\$ 324,600.31
Augusta Sanitary District	\$ 1,500,000.00	4.07%	2.07%	\$ 721,157.00	\$ 318,945.96	\$ 402,211.04
City of Bath	\$ 350,000.00	4.35%	2.35%	\$ 181,161.20	\$ 86,240.30	\$ 94,920.90
City of Belfast	\$ 2,500,000.00	3.98%	1.98%	\$ 1,172,574.80	\$ 551,512.35	\$ 621,062.45
City of Brewer	\$ 448,000.00	4.34%	2.34%	\$ 231,293.60	\$ 108,443.77	\$ 122,849.83
City of Calais	\$ 60,000.00	3.04%	1.04%	\$ 5,581.20	\$ 4,935.82	\$ 645.38
Town of Cape Elizabeth	\$ 3,510,000.00	4.23%	2.23%	\$ 1,761,185.60	\$ 888,686.69	\$ 892,498.91
Carrabassett Valley Sanitary District	\$ 185,220.87	3.42%	1.42%	\$ 36,594.13	\$ 19,560.04	\$ 17,034.09
Houlton Water Company	\$ 539,193.03	4.19%	2.19%	\$ 264,730.57	\$ 139,813.83	\$ 130,916.74
Kennebunk Sewer District	\$ 2,140,000.00	4.02%	2.02%	\$ 1,014,878.80	\$ 443,330.98	\$ 571,547.82
Lewiston Auburn Water Pollution Control	\$ 2,000,000.00	4.08%	2.08%	\$ 964,157.60	\$ 474,365.51	\$ 489,792.09
Town of Lisbon	\$ 500,000.00	3.97%	1.97%	\$ 239,864.20	\$ 109,777.37	\$ 130,086.83
Town of Norridgewock	\$ 1,053,986.09	4.12%	2.12%	\$ 519,629.11	\$ 176,877.65	\$ 336,745.46
Portland Water District	\$ 1,600,000.00	4.19%	2.19%	\$ 794,400.80	\$ 367,494.48	\$ 426,906.32
Portland Water District	\$ 1,900,000.00	4.19%	2.19%	\$ 943,351.00	\$ 436,399.77	\$ 506,951.23
Stonington Sanitary District	\$ 341,000.00	4.16%	2.16%	\$ 167,963.00	\$ 81,394.86	\$ 86,568.14
	\$ 19,901,179.99					\$ 5,155,337.54

GRANT EQUIVALENCY



DWSRF ESTIMATED SUBSIDY PROVIDED FOR FISCAL YEAR 2005-2006

	Loan Amount	Market Rate	SRF Rate and Fees	Cost at Market	SRF Cost (Interest + Fees)	Interest Subsidy Provided	Loan Forgiveness Provided	Total Subsidy Provided
Aqua Maine Camden Rockland	\$ 536,000.00	4.21%	2.21%	\$ 267,533.60	\$ 167,381.91	\$ 100,151.89	\$ -	\$ 100,151.89
Ashland Water & Sewer District	\$ 623,738.73	4.32%	0.00%	\$ 500,827.00	\$ -	\$ 500,827.00	\$ -	\$ 500,827.00
Bethel Water District	\$ 75,080.00	4.10%	2.10%	\$ 36,381.20	\$ 18,334.37	\$ 18,046.83	\$ -	\$ 18,046.83
Biddeford-Saco Water Co	\$ 950,000.00	4.32%	2.32%	\$ 487,953.60	\$ 349,369.47	\$ 138,584.13	\$ -	\$ 138,584.13
Town of Castine	\$ 1,200,000.00	4.40%	2.40%	\$ 629,074.80	\$ 301,894.53	\$ 327,080.27	\$ -	\$ 327,080.27
City of Ellsworth	\$ 237,821.00	4.32%	0.00%	\$ 190,954.90	\$ -	\$ 190,954.90	\$ 68,111.00	\$ 259,065.90
Port Clyde Water District	\$ 702,925.00	4.32%	0.00%	\$ 564,403.70	\$ -	\$ 564,403.70	\$ 527,193.75	\$ 1,091,597.45
Rumford Water District	\$ 222,800.00	3.95%	1.95%	\$ 103,630.20	\$ 48,824.18	\$ 54,806.02	\$ -	\$ 54,806.02
Town of Waldoboro	\$ 2,025,000.00	4.32%	0.00%	\$ 1,625,944.80	\$ -	\$ 1,625,944.80	\$ 1,518,750.00	\$ 3,144,694.80
	\$ 6,573,344.73					\$ 3,520,799.54	\$ 2,114,054.75	\$ 5,634,854.29

OTHER MMBB PROGRAMS



- Ω GENERAL RESOLUTION PROGRAM
- Ω SMALL COMMUNITY GRANT PROGRAM
- Ω CREDIT QUALITY IMPROVEMENT PROGRAM