

SRF FINANCING

A. Source of Funding

B. Lending Process

C. Loan Terms

D. Cooperative Relationships

A. Source of Funding

- ◆ State Issued Bonds
- ◆ EPA Capitalization Grant

B. Lending Process

- ◆ **Rate Review**
 - ◆ Retain Professional Financial Advisor to conduct Rate Study
 - ◆ Review of Rates to determine ability to repay outstanding debt and SRF loan
 - ◆ Detailed analysis of rate structure
- ◆ **Due Diligence Review**
 - ◆ Nationally Recognized Bond Counsel Required
 - ◆ Bond Ordinance
 - ◆ Review of Community's Finances
 - ◆ 125% Debt Coverage
 - ◆ Rates and charges as a repayment stream
 - ◆ Rate Ordinance
- ◆ **Financial Assistance Agreement**

C. SRF Loan Terms

- ◆ Interest Rate
 - *See the current SRF Loan interest rates (adjusted quarterly) on page 3 of this section.
- ◆ 20 yr. Fixed Interest Rate
- ◆ Principal repayment begins within 12 months of substantial completion
- ◆ Paying Agent Agreement
- ◆ Debt Service Reserve (Fully funded in 60 months)

D. COOPERATIVE RELATIONSHIP

- ◆ The SRF Program currently works with the following programs to co-fund wastewater and drinking water projects.
 - *Indiana Office of Community and Rural Affairs
 - *USDA Rural Development
 - *Indiana Rural Community Assistance Program