

Tab 39 Letter Outlining Bond Financing Strategies

Applicants must include a letter, addressed to the Agency, signed by the owner, general partner, or sponsor and the proposed bond issuer outlining the bond financing structure in detail. The letter should include, at a minimum, the following:

- Amount of the volume cap request.
- Identify if there will be more than one series of bonds, and if the bonds will be used for construction financing, permanent financing, or both.
- Clarify the term of bonds. If any portion of the bonds will be taken out by another construction financing source, the source should be identified.
- If there will be a private placement of the bonds, identify the purchaser of the bonds.

The letter must also identify each of the following (with names, addresses, and phone numbers):

- 1) The proposed bond issuer (if other than PHFA);
- 2) Development ownership entity and principal partners or guarantors;
- 3) Bond counsel to the issuer;
- 4) Underwriters or placement agents, if any;
- 5) Underwriter's counsel, if any; and
- 6) All other entities involved in the financing (i.e., rating agencies; bond insurer; letter of credit bank; and credit enhancement entity).
- 7) In the event the Agency is not the bond issuer, evidence of an investment quality rating of the bonds from one of the nationally recognized rating agencies (or otherwise meeting Agency criteria to ensure that bonds are maximizing and reasonably achieving market opportunities) must be submitted prior to closing.

A detailed timeline, incorporating all pertinent milestones including but not limited to all governmental approvals and the bond closing, should also accompany this letter.