

ATTACHMENT III

FINANCING FEES
AND
FINANCING OPTIONS

Financing Fees

Issuance Costs

Fees associated with processing a DWSRF financing are based on the amount financed (i.e., project costs). Issuance costs are calculated as follows:

Program Administration: This cost is calculated by multiplying the project costs by 1.1%. This fee is used to support the administration of the DWSRF program. For non-hardship projects that receive short-term financing, an administrative fee equal to 0.6% will be charged.

Direct Expenses: The direct expense is calculated by multiplying the project costs by 1.0%. Direct Expenses represent the recipient's proportionate share of EFC's costs to complete the transactions necessary for a bond sale and include bond counsel costs, financial advisor fees, printing costs, rating agency fees and trustee fees.

State Bond Issuance Charge: Public authorities that sell bonds, including EFC, must collect the State Bond Issuance Charge. The State Bond Issuance Charge applies only to leveraged financings. The Division of Budget approved an extension to the State Bond Issuance Charge waiver through March 31, 2011. The rate for leveraged financings through March 31, 2011 is determined as follows:

<u>Financed Amount</u>	<u>Rate</u>
\$1,000,000 or less	0.168%
\$1,000,001 - \$5,000,000	0.336%
\$5,000,001 - \$10,000,000	0.504%
\$10,000,001 - \$20,000,000	0.672%
More than \$20,000,000	0.840%

Maintenance Charge

An annual fee is charged to defray the cost of maintaining financing accounts during the life of the financing. This fee is calculated as 0.11 percent of the outstanding financing balance.

Exceptions to the above fees apply to certain financings. EFC will work with the applicant to determine the appropriate DWSRF financing type. Fees apply to the different types of DWSRF financing as follows:

Long-Term Leveraged Financing

- Program administration fee
- Direct expenses
- State bond issuance charge
- Maintenance charge

Long-Term Direct Financing

- Program administration fee
- Direct expenses
- Maintenance charge

Reduced Interest Rate Direct Financing

- All fees waived

Short-Term Interest Free Financing

- Program administration fee for non-hardship projects

Short-Term Market Rate Financing

- All fees waived

SRF Bond Market Rate Program

- Direct expenses
- State bond issuance charge
- Maintenance charge applies only if, and after, subsidy assistance becomes available

SRF Bond Guarantee Program

- Direct expenses

Disbursement Requests

Once a financing has closed, the project funds not disbursed at closing will be available on a weekly basis provided an acceptable disbursement request, supported with proper cost documentation, has been submitted to EFC. Disbursement request forms will be included in the PFA that the recipient will execute to obtain financing. The recipient should make certain proper financial coverage is in place in the event that a disbursement is delayed, denied or adjusted.

Disbursement request forms can be submitted via:

1. Mail to: NYS Environmental Facilities Corporation, 625 Broadway, Albany, NY 12207-2997
2. Fax to: (518) 402-7085
3. E-mail to: DisbursementRequests@nysefc.org. Note: This e-mail address should only be used for the initial submission of each request and related documentation for the initial request. Follow-up documentation or information should be sent directly to the assigned EFC analyst.

Further information about the disbursement request process is available in the “Disbursement Request Information Sheet” which is one of the reference and guidance documents in the financing application package.

Financing Options

The DWSRF provides short-term and long-term funding for eligible projects. In addition to the traditional DWSRF interest subsidy for projects, the EFC has developed a second set of financing options for projects that are either:

- a) not reachable on the current Project Readiness List in the DWSRF IUP, or
- b) need financing for eligible project costs above the subsidized amount available on the Project Readiness List.

Please keep the following in mind:

- All projects should be listed on the IUP Project Readiness List.
- No financings may be for a term in excess of the useful life of the project.
- The by-pass process may impact the availability of financing (see IUP for further information). A project below the subsidized funding line but ready for financing may be financed with the long-term market-rate or short-term market-rate options, which then may be automatically converted to interest-subsidized financing if a project becomes reachable following the by-pass process.

In addition to the Financing Options in the attached matrix, for projects that demonstrate a need for hardship financing (see the IUP), the DWSRF provides for reduced interest rate financings (as low as interest-free) and, for qualified projects, grants, to the extent that funds are available. In addition, the SRF Bond Guarantee Program may be used to provide preferred AAA/Aaa rates for recipients issuing bonds independently to finance SRF projects.

Short-term financing with either the short-term market-rate or the short-term interest-free program is intended to provide a seamless transition for project financing (minimizing or eliminating the need for other funding sources).

DWSRF Financing Options Matrix

Timing	Long-Term			Short-Term	
Option	1. Bond Market Rate	2. Subsidized-Interest	3. Extended Term	4 Market-Rate	5 Interest-Free
SRF Project Score	Below the subsidized Funding Line	Above the subsidized Funding Line		Below the subsidized Funding Line or for project costs above the amount available interest-free	Above the subsidized Funding Line
Benefit	AAA/Aaa Borrowing Rates	AAA/Aaa Borrowing Rates Plus 1/3 rd interest rate subsidy for 20 years from project completion		AAA/Aaa Borrowing Rates,	0% Interest
			principal amortization may be extended from 20 up to 30 years (years 21-30 at unsubsidized Market Rate)		
	Economies of scale in pooled bond issue				
Interest Rate Subsidy Timing	Not Available Initially, becomes available in the year the project score is above a future funding line	Available from Closing	Available from Closing	Based on SRF borrowing costs in the high-grade tax-exempt short-term municipal markets	No Interest Expense
Fees (as a % of SRF-Financed project costs unless otherwise noted)	a. 1.0% Direct Expenses b. Sliding Scale State Bond Issuance Charge			None	0.6% Program Admin Fee
	c. Maintenance charge on outstanding balance (0.25% if interest-subsidy is provided)	c. 0.11% Maintenance charge on outstanding balance d. 1.1% Program Admin			
Availability	Ongoing, may be financed pursuant to a pool schedule.			Available for up to 3 years or readiness for long-term financing, whichever is sooner, for a recommended minimum term of six months.	
	Repayment term up to 30 years from project completion	Repayment term up to 20 years from project completion	Repayment term up to 30 years from project completion		
Project Status	Final costs known; Project approvals in place. Plans and Specifications, major contracts awarded, permits in place.			Approved Engineering Report, environmental review completed and other approvals as necessary for short-term financing. Once final costs are known, the project will be considered for long-term financing.	