



**FAME Bond Programs:
How to Save Substantial Interest Expenses
on Eligible Project Financing**

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Your Webinar Host



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- ▶▶ **Municipal Securities Approval Program** (p. 510) ● ●

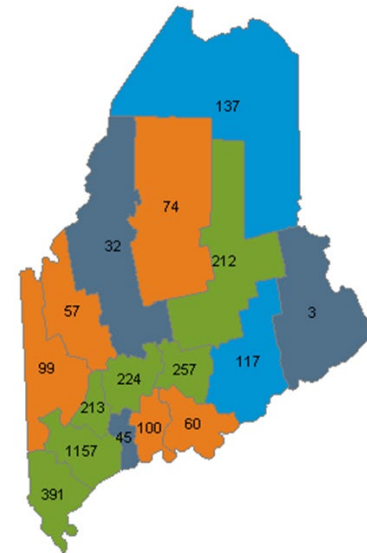
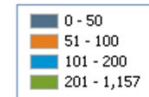
At one end of the life cycle are programs to support early-stage companies with little or no sales. At the other end of the life cycle are programs that work well for companies with track records of generating sales and income. While the chart illustrates the stage at which these programs typically enter the business life cycle, many programs can be used at various stages throughout the process.

Supporting Jobs for Maine Residents

In Fiscal 2018:

- FAME supported the issuance of \$66.5 million in debt;
- Impacted 250 businesses in every Maine county; and
- Created and/or retained nearly 3,400 jobs!

FAME Total Jobs Created and Retained By County FY2018



Since it's founding in 1983, FAME has partnered to

- Deploy over \$2 billion in loans and equity capital, and
- Create and/or retain nearly 100,000 jobs across all of Maine's major industries.

OVER
\$2 BILLION
IN LOANS & EQUITY CAPITAL



NEARLY
100,000 JOBS
CREATED AND/OR RETAINED



Works for ME ✓

FAME Bond Programs

Recent Activity

Since January 2014, FAME has issued nearly \$440 million in tax-exempt “private activity” bonds; including:

- \$165 million financing of a large, not-for-profit health information network;
- \$108 million in financing for private, not-for-profit secondary and higher-education capital projects;
- \$42 million in financing for not-for-profit health care facilities;
- \$75 million in financing for qualified solid waste projects.

This information is through December 31, 2017.

FAME Bond Programs

Overview: ROSP

Revenue Obligations Securities Program

- Provides manufacturing, solid waste disposal, and 501(c)(3) borrowers with access to tax-exempt bond financing
- Ideal when borrower plans to arrange its own credit enhancement, but for creditworthy credits, FAME commercial loan insurance up to the applicable insurance limit (currently \$5,250,000) is available
- FAME is issuer (not eligible for Bank Qualified Treatment)

Municipal Securities Approval Program

- Designed to encourage job creation through the expansion of the activities of 501(c)(3) organizations, solid waste disposal facilities, or manufacturers
- Provides borrowers with local access to tax-exempt bond financing
- Ideal when borrower plans to arrange its own credit enhancement
- Municipality is issuer (may be eligible for Bank Qualified treatment)

FAME Bond Programs

Features

- \$2,000,000 effective minimum transaction amount
- \$10,000,000 transaction limit for manufacturers
- No \$ limit for 501(c)(3) bonds or Solid Waste bonds
- 30-year max term
- Rates set by credit provider (with recognition tax-exempt; substantial savings over traditional taxable rate)
- \$5,000 application fee and .2% or .3% **one-time** FAME issuance fee (no issuer's counsel fees or ongoing charges)
- Borrower pays Bank, Borrower, and Bond Counsel fees, but Bank or Borrower's counsel can be bond counsel
- Bond sales limited to Qualified Institutional Buyers (QIBs) or equivalent

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FAME Bond Programs

Benefits

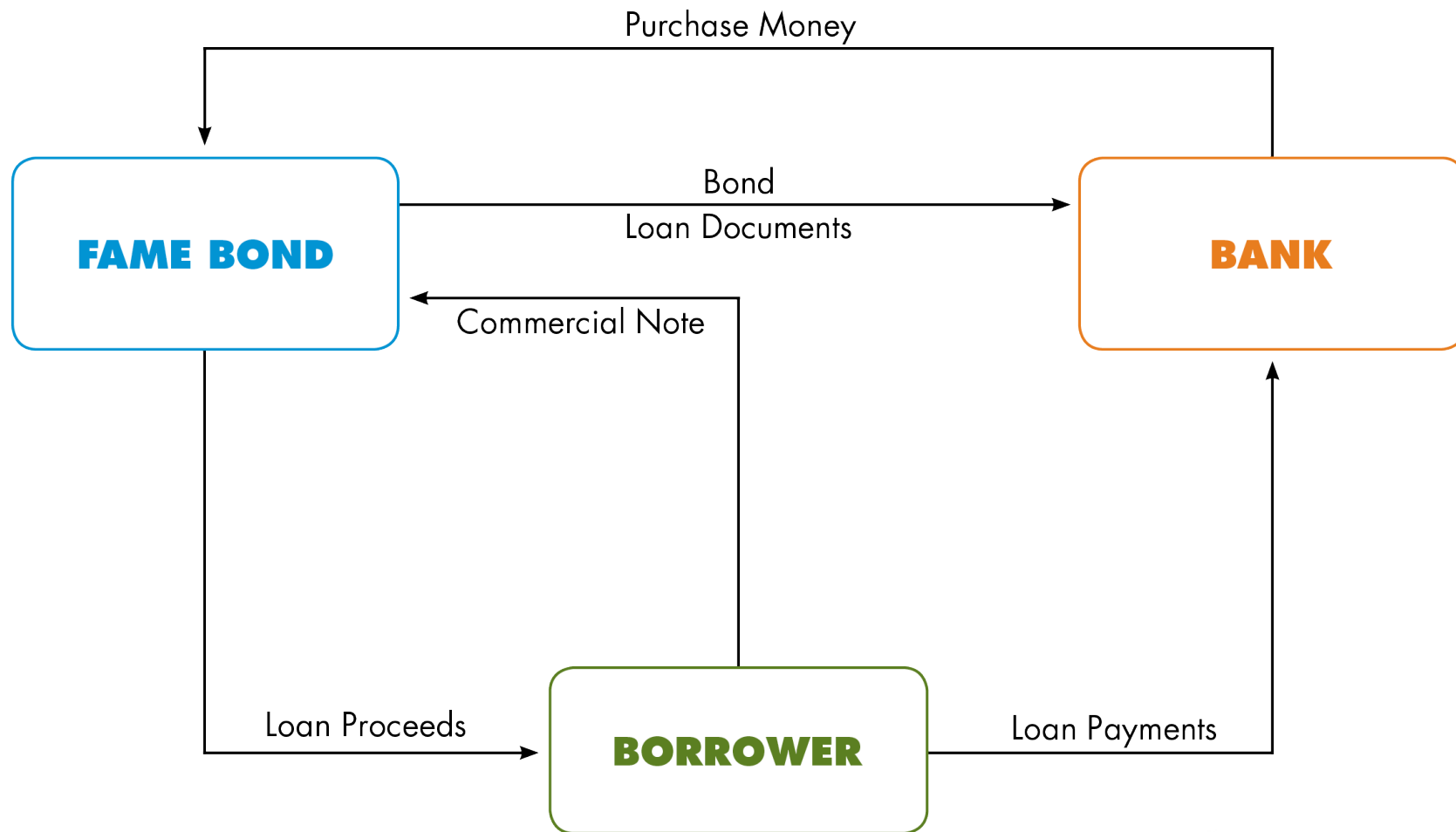
- Substantially reduce interest costs to eligible Borrowers
- Direct placement with Lender keeps customer relationship
- Offer flexibility to the Borrower (over public issuance or private placement with a third-party credit provider) for dealing with covenant compliance and potential post-closing changes
- Provide another tool in Lender's tool box to help Borrowers find cost-effective financing for larger capital expenditures

Our goal is to get to "Yes!"

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FAME Bond Programs

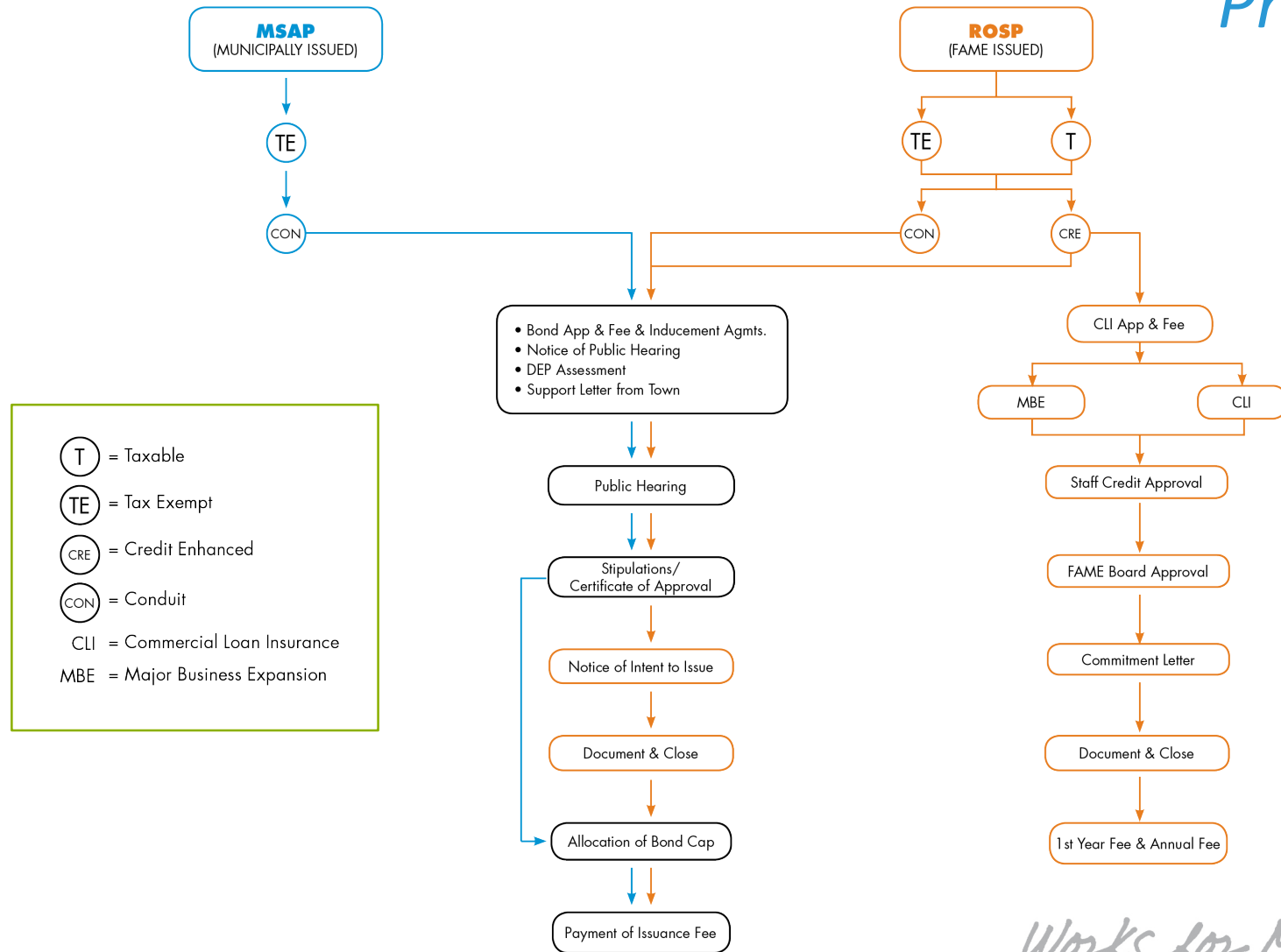
Structure



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FAME Bond Programs

Process



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Questions?



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Thank You

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