



LOCAL GOVERNMENT REVENUE BOND PROGRAM

Description

IFA's Local Government Bond Program assists units of local government, including school districts, in financing capital improvement projects. Local government and school district bonds issued through IFA are exempt from both federal and state income taxes. IFA's approval process for local government bond projects is streamlined, requiring just one meeting for approval. IFA State Aid Intercept enables the local government borrower to consent to the intercept of state aid payments to cover shortfalls in debt service payments, assuring that bondholders are paid in a timely manner.

Highlights and Benefits

The program provides local government units with the opportunity to achieve interest cost savings and to structure flexible loan repayment terms. Benefits of issuing debt obligations through IFA include:

- Exemption from both federal and state income taxes
 - Access to credit enhancement through a "tax intercept" mechanism
 - Access to creative financing options
 - Attentive finance professionals and quick turn-around time
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Type of Financing

Borrowers may obtain fixed or variable-rate financing through IFA.

Eligibility

Any unit of government that is entitled to issue debt obligations under Illinois law is permitted to issue its debt obligations through the IFA. Qualified local government units include counties, townships, municipalities, schools and fire protection, sanitary, park, and other special purpose districts.

Fees

A \$250 application fee is due when the application is submitted. The application fee will be refunded at closing. A Closing Fee of 15 basis points will be charged at the time of closing. Issuer's Counsel fees range from \$3,000 for smaller issues up to \$7,500 for large bond issues.