



501(c)(3) REVENUE BOND PROGRAM

Description

The IFA helps non-profit, 501(c)(3) corporations secure low-cost, tax-exempt financing for capital improvement projects through tax-exempt revenue bonds.

Benefits

Tax-exempt bond financing affords qualified non-profits the opportunity to purchase capital equipment without depleting cash reserves or paying the higher costs of traditional debt financing. Benefits of bond financing include:

- Favorable interest rates – considerably less than conventional loans
 - Long term financing
 - Fixed or variable rate financing
 - Up to 100 % financing
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Type of Financing

Tax-exempt financing may be used by non-profits for the acquisition, construction or renovation of real estate; the acquisition of machinery, equipment or other fixed assets, or, in some cases, refinancing outstanding debt. The maturity of the debt will generally match the useful lives of the assets financed.

Eligibility

Any non-profit corporation with a 501(c)(3) designation from the Internal Revenue Service may be eligible for financing. Projects must be located in the State of Illinois. Final determination of project eligibility is subject to a legal opinion from a recognized municipal bond attorney.

Fee

A non-refundable application fee is due when the application is submitted. A closing fee based on the principal amount of bonds issued is paid to the Authority at closing. The Authority does not charge an annual fee. In most cases, applications can be reviewed by staff and considered by the Board of Directors within 30 to 45 days of submission.