

# ILLINOIS FINANCE AUTHORITY

June 9, 2020  
9:30 a.m.

## REGULAR MEETING

Michael A. Bilandic Building  
160 North LaSalle Street  
Suite S-1000  
Chicago, Illinois 60601



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160 North LaSalle Street  
Suite S-1000  
Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Public Comment
- IV. Chair's Remarks
- V. Message from the Executive Director
- VI. Committee Reports
- VII. Presentation and Consideration of New Business Items
- VIII. Presentation and Consideration of Financial Reports
- IX. Monthly Procurement Report
- X. Correction and Approval of Minutes
- XI. Other Business
- XII. Closed Session
- XIII. Adjournment

**NEW BUSINESS**

**CONDUIT FINANCING PROJECTS**

<b>Tab</b>	<b>Project Name</b>	<b>Location</b>	<b>Amount</b>	<b>New Jobs</b>	<b>Const. Jobs</b>	<b>Staff</b>
<b>Private Activity Bonds - Revenue Bonds</b>						
<i>Final (One-Time Consideration)</i>						
1	American Water Capital Corp.	Champaign District (Champaign, Urbana, Savoy, Pesotum, Tolono and vicinity (Champaign County)); Interurban District (East St. Louis and Granite City and vicinity (St. Clair County)); Lincoln District (Logan County); Peoria District (Peoria County); Pontiac District (Livingston County)	\$25,000,000	N/A	N/A	RF/BF
2	Near North Montessori School	Chicago (Cook County)	\$8,500,000	N/A	N/A	RF/BF
<b>Local Government Program Bonds - Revenue Bonds</b>						
<i>Final (One-Time Consideration)</i>						
3	Community Unit School District Number 220, Lake, Cook, Kane and McHenry Counties, Illinois (Barrington)	Barrington, Lake Barrington, Tower Lakes, Barrington Hills, Carpentersville, Deer Park, Fox River Grove, Port Barrington, Hoffman Estates, Inverness, North Barrington, and South Barrington (Lake, Cook, Kane, and McHenry Counties)	\$50,000,000	-	45	RF/BF
<b>TOTAL CONDUIT FINANCING PROJECTS</b>			<b>\$83,500,000</b>	<b>-</b>	<b>45</b>	
<b>GRAND TOTAL</b>			<b>\$83,500,000</b>	<b>-</b>	<b>45</b>	

**Board of Directors**

June 9, 2020

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**NEW BUSINESS**

**RESOLUTIONS**

<b>Tab</b>	<b>Action</b>	<b>Staff</b>
<b>Conduit Financings</b>		
4	Resolution Authorizing the Execution and Delivery of a Second Amendment to Bond and Loan Agreement Relating to the Revenue Bonds (North Park University Project), Series 2012 of the Illinois Finance Authority; and Related Matters	RF/BF
5	Resolution Concerning Certain Modifications of the Terms of Debt Issues of the Illinois Finance Authority and its Predecessor Authorities and Other Matters	EW/BF
<b>Audit, Budget, Finance, Legislation, Investment and Procurement</b>		
6	Resolution Adopting the Budget of the Illinois Finance Authority for Fiscal Year 2021	CM/JS/XG
7	Resolution to Accept the Fiscal Years 2018 & 2019 Compliance Examination	XG
<b>Governance, Personnel, and Ethics</b>		
8	Resolution Approving Proposed Repeal, Modification, and Amendment of Existing Rules, including Implementation of Certain New Rules, to the Illinois Administrative Code Regarding the Illinois Finance Authority; and Related Matters	EW/MM
9	Resolution Granting Executive Director Authorization to Act on Behalf of Illinois Finance Authority to Negotiate and Execute an Intergovernmental Agreement with the Office of the State Fire Marshal ("OSFM") for the Fire Truck Revolving Loan Program, Ambulance Revolving Loan Program, and Related OSFM Programs	MM
10	Resolution Approving the Schedule of Regular Meetings for Fiscal Year 2021	EW/MM

**DETERMINATION AND DECLARATIONS BY THE CHAIR OF  
THE ILLINOIS FINANCE AUTHORITY**

I, Eric R. Anderberg, as the Chair of the Illinois Finance Authority (the “Authority”), hereby make the following determination and declarations:

THAT the Governor of the State of Illinois issued a Gubernatorial Disaster Proclamation on May 29, 2020 finding that, pursuant to the provisions of the Illinois Emergency Management Agency Act, a disaster exists within the State of Illinois related to public health concerns caused by Coronavirus Disease 2019 (“COVID-19”) and declaring all counties in the State of Illinois as a disaster area through June 27, 2020; and

THAT in accordance with the provisions of Executive Order 2020-33 and reaffirmed by Executive Order 2020-39 dated May 29, 2020, certain provisions of the Open Meetings Act and the Illinois Finance Authority Act have been suspended through June 27, 2020 or until corresponding legislation (Senate Bill (“SB”) 2135) is enacted and takes effect, whichever occurs first; and

THAT I have determined that an in-person meeting of the Authority on June 9, 2020, the next regularly scheduled meeting of the Authority, is not practical or prudent because of the disaster declared by the Governor on May 29, 2020; and

THEREFORE the next regular meeting of the Authority scheduled for June 9, 2020 at 9:30 a.m. shall be conducted via audio conference, without the physical presence of a quorum of the members, either in accordance with the provisions of Executive Order 2020-39 or in accordance with the provisions of the Open Meetings Act as amended by SB 2135 if such legislation is in effect by the date of the meeting; and

THAT all members of the body participating in the meeting, wherever their physical location, shall be verified and can hear one another and can hear all discussion and testimony; and

THAT members of the public present at the regular meeting location of the body can hear all discussion and testimony and all votes of the members; any interested member of the public will be provided access to contemporaneously hear all discussion, testimony, and roll call votes by telephone via audio conference; and

THAT the Executive Director of the Authority shall be physically present at the regular meeting location; and

THAT meetings of any subcommittees of the Authority held on June 9, 2020 shall also be held in accordance with the above practices.

Signed:

/s/ Eric R. Anderberg  
Eric R. Anderberg, Chair

June 5, 2020  
Date

**TAB: EXECUTIVE DIRECTOR MESSAGE**

Date: June 9, 2020

To: Eric Anderberg, Chairman  
Michael W. Goetz, Vice Chairman  
James J. Fuentes  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

***This Moment***

The time in which we live was best characterized by Governor Pritzker on May 31, 2020:

“This is an immensely challenging moment for our city, our state, our country, one born from decades and centuries of systemic racism. To those peacefully expressing the pain, fear, and rage at this moment, I hear you. Your voices matter. We must address the profound injustices in our society and bring about real and meaningful change.”

Here at the Authority, we are proud to follow the lead of Governor Pritzker during these troubling and challenging times.

***COVID-19, the Authority and the Municipal Finance Market***

With respect to COVID-19 generally, I believe that a recent McKinsey & Company report accurately described the present situation:

“As Winston Churchill said, ‘Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.’ We are seeing some faint signs of progress in the struggle to contain the pandemic. But the risk of resurgence is real, and if the virus does prove to be seasonal, the effect will probably be muted. It is likely never more important that now for boards of directors and executive management teams to tackle the right questions and jointly guide their organizations to the next normal.”

*Coronavirus: 15 emerging themes for boards and executive teams*, Cindy Levy, Jean-Christophe Mieszala, Mihir Mysore, and Hamid Samandari, McKinsey & Company, Risk Practice, June 2020

With respect to the municipal finance market, a well-known Bloomberg commentator, Eric Kazatsky, highlighted in a notice for an upcoming webinar that COVID-19 has “now created headwinds for



municipal credit, performance and expectations of new bond sales.” Mr. Kazatsky also underscored that forecasts for municipal issuance are now “out the window.”

***Proposed Fiscal Year 2021 Authority Budget and Two-Year External Compliance Audit***

While the signs were certainly there in February, none of us fully understood the magnitude and impact of COVID-19 or predicted the depths of the current economic crisis and the deeply uncertain world we inhabit today. Nonetheless, the Authority is under a mandate to support its public mission and operations without State appropriations, and despite these challenging times, we must present the Members with a proposed budget to be considered and adopted. We have collectively done our best on this point. The Authority will present for consideration and adoption by the Members a budget that is optimistic, realistic, and slightly revenue positive.

We will also present, for acceptance by the Members, the Two-Year Compliance Examination for Fiscal Years 2018 and 2019 conducted by the Office of the Auditor General.

***Diverse Agenda***

We are proud to present for consideration bond resolutions for qualified borrowers seeking to benefit from the tax-exempt financing market and the Authority’s continual excellent customer service, including ***American Water Capital Corp., Near North Montessori School, and Community Unit School District Number 220*** (Barrington), as well as an amendment for ***North Park University***.

***American Water Capital Corporation (“AWCC”)***

The Authority is proud to be working once again with ***AWCC*** and its affiliate American Water Company, Inc. to issue tax-exempt bonds following the Authority’s successful 2019 transaction. The 2020 ***AWCC*** project will create savings and refinance its outstanding Series 2010 bonds previously issued by the Authority. This project also continues the Authority’s focus on Illinois water finance projects. Notably, and as set forth more fully in the project summary report, ***AWCC*** has a corporate strategy consistent with the Authority’s own strategy, priorities, and accomplishments with respect to green, ESG (environmental-social-governance) and impact investing.

Please stay safe and healthy. We deeply appreciate your volunteer public service on behalf of the people of Illinois.

Respectfully,

A handwritten signature in black ink, appearing to read "C. Meister", with a long horizontal line extending to the right.

---

Christopher B. Meister  
Executive Director



**TAB 1: AMERICAN WATER CAPITAL CORP.**

**\$25,000,000 (not-to-exceed amount)**

**American Water Capital Corp. (on behalf of Illinois-American Water Company, Inc.)**

June 9, 2020

<p><b>REQUEST</b></p>	<p><b>Purpose:</b> Bond proceeds will be used by American Water Capital Corp., a Delaware corporation (the “<b>Borrower</b>” or “<b>AWCC</b>”), on behalf of itself and its affiliate, Illinois American Water Company, Inc., an Illinois Corporation (the “<b>Operating Company</b>”, “<b>IAWC</b>”, or “<b>Illinois-American</b>”). AWCC has requested that the Authority issue not to exceed \$25,000,000 in principal amount of revenue bonds consisting of its Water Furnishing Facilities Refunding Revenue Bonds (American Water Capital Corp. Project) Series 2020 (the “<b>Series 2020 Bonds</b>”) and loan the proceeds thereof to the Borrower in order to provide the Borrower with the principal portion of the funds necessary to refund all of the Authority’s outstanding \$25,000,000 Water Furnishing Facilities Revenue Bonds (American Water Capital Corp. Project) Series 2010 (the “<b>Series 2010 Bonds</b>”) which were issued to (i) finance certain facilities owned and operated by the Operating Company for the furnishing of water and functionally related and subordinate facilities located in various municipalities and/or counties throughout the State of Illinois and (ii) pay a portion of the costs of issuance of the Series 2010 Bonds, as permitted by the Act (the “<b>Financing Purposes</b>”). The Series 2010 Bonds financed a series of capital projects undertaken in various Illinois-American’s service districts located throughout Illinois (see p. 10).</p> <p>American Water Capital Corp. is the corporate financing subsidiary of <b>American Water Works Co., Inc.</b>, a publicly-owned (NYSE Ticker: AWK) water utility company (“<b>AWK</b>” or the “<b>Parent Company</b>”). .</p> <p><b>Program:</b> Conduit Water Facilities Revenue Refunding Bonds (aka Water Utility Revenue Bonds) are a form of tax-exempt Exempt Facilities Bond authorized under Section 142(a)(4) of the Internal Revenue Code. These Bonds enable investor-owned water utilities to finance various water system capital improvements with tax-exempt bonds.</p> <p><b>IRS Section 146 Volume Cap required:</b> No Volume Cap is required for the issuance of Refunding Bonds. (IFA provided \$25.0 million of Volume Cap and Carryforward Volume Cap to issue the IFA Series 2010 Bonds that will be current refunded with the IFA Series 2020 proceeds.)</p> <p>No IFA Funds at risk. No State Funds at risk.</p>																
<p><b>BOARD ACTION</b></p>	<p>Final Bond Resolution requested (one-time approval).</p>																
<p><b>JOB DATA</b></p>	<table border="0"> <tr> <td style="padding-right: 20px;">478</td> <td>Current jobs (Ill.-Am. Water)</td> <td style="padding-left: 20px;">N/A</td> <td>New jobs projected</td> </tr> <tr> <td style="padding-right: 20px;"><u>717</u></td> <td>Other American Water Operations in Illinois</td> <td></td> <td></td> </tr> <tr> <td style="padding-right: 20px;"><b><u>1,195</u></b></td> <td><b>Total</b> Illinois Jobs</td> <td></td> <td></td> </tr> <tr> <td style="padding-right: 20px;">N/A</td> <td>Retained jobs (at risk jobs)</td> <td style="padding-left: 20px;">N/A</td> <td>Construction jobs projected</td> </tr> </table>	478	Current jobs (Ill.-Am. Water)	N/A	New jobs projected	<u>717</u>	Other American Water Operations in Illinois			<b><u>1,195</u></b>	<b>Total</b> Illinois Jobs			N/A	Retained jobs (at risk jobs)	N/A	Construction jobs projected
478	Current jobs (Ill.-Am. Water)	N/A	New jobs projected														
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<b><u>1,195</u></b>	<b>Total</b> Illinois Jobs																
N/A	Retained jobs (at risk jobs)	N/A	Construction jobs projected														
<p><b>BORROWER DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>American Water Works Company, Inc. and its operating subsidiaries (which include Illinois-American Water Company in Illinois) comprise the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. AWK and its subsidiaries employ more than 6,800 professionals who provide regulated and market-based drinking water, wastewater, and other related services to over 15 million people in 46 states, with over 3.4 million active customers.</li> <li>Locations: Multiple Locations statewide (see Project Site List on p. 10)</li> </ul>																

<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>American Water Works Company and its American Water Capital Corp. finance subsidiary currently report the following long-term and short-term ratings from Moody's and Standard &amp; Poor's, respectively: Long -Term 'Baa1' (Stable Outlook) / 'A' (Stable Outlook). Moody's downgraded its Long-Term rating from A3 to Baa1 with a Stable Outlook as of 4/1/2019. S&amp;P affirmed its Long-Term 'A' rating (with Stable Outlook) and Short-Term 'A-1' rating as of 6/10/2019.</li> </ul>																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>The Bonds will be underwritten by <b>Wells Fargo Securities</b> (the "Underwriter").</li> <li>Term: Final Maturity Date – May 1, 2040 (same as the Series 2010 Bonds to be refunded).</li> <li>Interest Rate: The Series 2020 documents will enable the Series 2020 Bonds to be sold on a multi-modal basis providing for (i) term interest rate periods (expected to be 3 or more years in duration), (ii) various Index Interest Rate Periods; or (iii) Variable Interest Rate Periods. The initial interest rate mode (or modes) selected will be evaluated by the Company based on market conditions at the time of pricing based on American Water Capital Corp.'s investment grade ratings (AWCC's current ratings are cited in the previous section).</li> </ul>																
<b>SOURCES AND USES</b> (PRELIMINARY, SUBJECT TO CHANGE - *EXCLUDES REFUNDING ESCROW TO BE SIZED BY VERIFICATION AGENT)	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Series 2020 WFF Rev. Bonds</td> <td style="text-align: right;">\$25,000,000</td> <td>*Refunding Bonds</td> <td style="text-align: right;">\$25,000,000</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>450,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>450,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$25,450,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$25,450,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Series 2020 WFF Rev. Bonds	\$25,000,000	*Refunding Bonds	\$25,000,000	Equity	<u>450,000</u>	Costs of Issuance	<u>450,000</u>	<b>Total</b>	<b><u>\$25,450,000</u></b>	<b>Total</b>	<b><u>\$25,450,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Series 2020 WFF Rev. Bonds	\$25,000,000	*Refunding Bonds	\$25,000,000														
Equity	<u>450,000</u>	Costs of Issuance	<u>450,000</u>														
<b>Total</b>	<b><u>\$25,450,000</u></b>	<b>Total</b>	<b><u>\$25,450,000</u></b>														
<b>RECOMMENDATION</b>	Project Review Committee recommends approval.																

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**ILLINOIS FINANCE AUTHORITY  
PROJECT SUMMARY REPORT  
June 9, 2020**

**INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE**

**Project:** **American Water Capital Corp.**  
(on behalf of Illinois-American Water Co., Inc.)

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**STATISTICS**

IFA Project:	12481	Amount:	\$25,000,000 ( <i>not-to-exceed amount</i> )
Type:	Water Furnishing Facilities Revenue Bonds (for investor- Owned water utility company)	IFA Staff:	Rich Frampton and Brad Fletcher
Locations:	Multiple/Statewide (see p. 10)	Counties/ Regions:	Multiple/Statewide (see p. 10)

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**BOARD ACTION**

Final Bond Resolution  
Conduit Water Furnishing Facilities Revenue Refunding Bonds  
(Water Utility Revenue Refunding Bonds)      No IFA funds at risk  
Project Review Committee recommends approval      No extraordinary conditions

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**VOTING RECORD**

*This is the first time this Project has been presented to the IFA Board for consideration.*

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**PURPOSE**

Bond proceeds will be used to current refund 100% of the outstanding balance of the Borrower's IFA Series 2010 Bonds to (i) attain present value savings and (ii) to refinance the current fixed rate bonds (5.25% fixed) as multi-modal bonds, thereby providing the Borrower with more optionality to select beneficial interest rates over the remaining life of the Bonds based on market conditions.

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**IFA PROGRAM AND CONTRIBUTION**

The Bonds will be issued as Tax-Exempt Water Furnishing Facilities Revenue Bonds, a category of Exempt Facilities Bonds authorized pursuant to Internal Revenue Code Section 142(a)(4). These Bonds provide Tax-Exempt financing for capital improvements for drinking water furnishing facilities owned by investor-owned water companies. These Bonds would be issued under the Illinois Finance Authority Act, consistent with past practice.

Water Furnishing Facilities Revenue Bonds finance essential purpose drinking water system improvements that improve the quality of life by (1) increasing drinking water capacity to facilitate continued economic development, (2) financing access to an improved water supply, (3) providing financing for ongoing improvements in drinking water quality and to enable compliance with EPA Drinking Water standards, and (4) providing capacity enhancements that will enable improved fire protection service in certain districts.

IFA (IDFA) has had a longstanding relationship with Illinois-American Water Company and its predecessors (including Northern Illinois Water Corporation and Citizens Utilities Company of Illinois) since 1984.

IFA and IDFA have issued 14 prior bond issues that have benefitted Illinois-American Water Co. (and its predecessors) totaling approximately \$191.9 million since 1985. This will be IFA's fourth bond issue on behalf of Illinois-American since 2009.

**VOLUME CAP**

Not applicable. No Volume Cap is required for the issuance of Refunding Bonds.

**SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE**

<b>Sources:</b>		<b>Uses:</b>	
IFA Refunding Bonds	\$25,000,000	Refunding Bonds	\$25,000,000
Equity	<u>450,000</u>	Costs of Issuance:	<u>450,000</u>
<b>Total</b>	<b><u>\$25,450,000</u></b>	<b>Total</b>	<b><u>\$25,450,000</u></b>

**JOBS**

Current employment:	Illinois –American Water Co., Inc.:	478
	AWK (Other corporate operations in Illinois):	<u>717</u>
	<b>Total:</b>	<b><u>1,195</u></b>
New jobs projected:	N/A (Refunding Bonds)	
Jobs retained:	N/A (Refunding Bonds)	
Construction jobs projected:	N/A (Refunding Bonds)	

**FINANCING SUMMARY**

Security: The IFA Series 2020 Water Furnishing Facilities Refunding Bonds will be underwritten by Wells Fargo Securities (the “Underwriter”) and sold based on the applicable Long-Term and/or Short-Term debt ratings of **American Water Capital Corp.** (“AWCC” or the “**Borrower**”), a wholly-owned subsidiary of **American Water Works Company, Inc.** (“AWK”, or the “**Parent Company**”) and an affiliate of the Operating Company (i.e., Illinois-American Water Company, Inc.) based on the interest rate mode ultimately selected pursuant to the Multi-Modal Bond structure

*AWCC is a wholly-owned financing subsidiary of American Water Works Company, Inc., and serves as the borrowing entity for all of the Parent Company’s operating subsidiaries, including Illinois-American Water Company.*

Debt Ratings: Long-Term: AWK (Parent Company) and AWCC (Borrower and Corporate Financing Subsidiary) Long Term Debt are each currently rated Baa1 (Stable Outlook) / A (Stable Outlook) from (Moody’s/S&P).

- Most recent Long-Term rating actions (AWK and AWCC):
  - Moody’s downgraded AWK’s and AWCC’s Long-Term debt ratings from ‘A3’ to ‘Baa1’ as of April 1, 2019 (while assigning a Stable Outlook); and
  - S&P affirmed AWK’s and AWCC’s Long-Term debt ratings at ‘A’ and its Stable Outlook as of June 10, 2019.

Short-Term: As the financing subsidiary of AWK, AWCC issues commercial paper on behalf of AWK and its operating subsidiaries, nationally.

- Most recent Short-Term rating actions (AWCC only):
  - Moody’s affirmed AWCC’s ‘P-2’ Short-Term commercial paper ratings as of April 1, 2019; and
  - S&P affirmed AWCC’s ‘A-1’ short-term credit rating as of June 10, 2019.

Based on AWCC's anticipated investment grade ratings for the IFA Series 2020 Bonds (which will refinance AWCC's IFA Series 2010 Bonds to attain cost savings and to provide additional interest rate mode options, including various adjustable rate options and a fixed rate option), the IFA Series 2020 Bonds may be sold in minimum denominations of \$5,000 consistent with requirements specified in IFA's Bond Program Handbook.

**Structure:** The Series 2020 Bond documents will authorize multi-modal bonds. The Company and the Underwriter (Wells Fargo Securities) will evaluate various interest rate mode options in advance of pricing and may select one or more variable and/or fixed interest rate modes.

**Maturity:** May 1, 2040. (AWCC will maintain the existing May 1, 2020 final maturity date established for the IFA Series 2010 Bonds that will be refunded with proceeds of the IFA Series 2020 Revenue Refunding Bonds.)

**Estimated Closing Date:** July 2020

**Rationale:** The Series 2020 Refunding Bonds will attain two key corporate objectives: (i) refinancing existing long-term debt at a lower interest rate and (ii) the proposed multimodal bond structure will provide increased interest rate optionality in the future, thereby enabling American Water to determine the optimal interest rate mode based on market conditions prior to each interest rate reset interval. In contrast, the Series 2010 Bonds were sold at a fixed interest rate to maturity (5.25% fixed for 30 years).

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## BUSINESS SUMMARY

**Background:** **Illinois-American Water Company** ("Illinois-American", "IAWC", or the "**Operating Company**") was established and incorporated under State of Illinois law in 1967 (although predecessors of the Company have provided drinking water to Champaign Illinois since 1884). The Company is a wholly-owned subsidiary of **American Water Works Co., Inc.**, a publicly traded company (NYSE Ticker: "AWK").

American Water Works Co., Inc. ("AWK"/Parent Co.):

AWK became an independent, stand-alone company again following its September 28, 2007 partial spin-off from **RWE AG** ("**RWE**"), a stock corporation incorporated in the Federal Republic of Germany. On November 24, 2009, RWE completed divestiture of its remaining ownership interest in AWK (see ownership information as of 3/31/2020 on p. 9).

**AWK is a holding company for various operating subsidiaries, including its regulated water utility operations throughout the U.S., including Illinois-American Water Co., Inc.**

Please see the "Ownership" section on p. 9 (Economic Disclosure Statement section of this report) for a listing of the key shareholders of American Water Works Co., Inc. as of 3/31/2020.

American Water Capital Corp. ("AWCC"/Financing Subsidiary):

**American Water Capital Corp.** ("AWCC" or the "**Borrower**") is a wholly-owned financing subsidiary of American Water Works Company, Inc. AWCC incurs long-term debt to fund capital expenditures on behalf of AWK's regulated subsidiaries (including Illinois-American Water Company or "Illinois American"). Additionally, AWCC also issues short-term Commercial Paper and borrows under Credit Facilities to provide short-term and working capital financing to all

AWK operating subsidiaries (including Illinois-American). AWK's operating subsidiaries (including Illinois-American) upstream payments to AWCC sufficient to cover scheduled payments on AWCC's debt obligations.

**AWK conducts all of its borrowing activities through its American Water Capital Corp. ("AWCC") financing subsidiary, including commercial paper and long-term debt originations (which include tax-exempt bond issues).**

Illinois-American  
Water Co., Inc.  
(Oper. Subsid.):

**Illinois-American Water Company ("Illinois-American" or "IAWC")** is the state's largest investor-owned provider of water and wastewater services, serving more than 130 communities in more than 20 counties. Illinois-American Water is a recognized leader in providing communities with well-maintained and reliable water and wastewater service. With a history of operations in Illinois spanning more than 140 years, Illinois-American currently provides water and wastewater-related services to approximately 1.3 million persons through 288,000 water connections and 53,000 wastewater connections.

IAWC has organized its Illinois operations into 13 districts with primary service areas concentrated in Champaign County, Peoria/Pekin and vicinity, Alton/Interurban/Metro East (Jersey, Madison and St. Clair Counties), and Suburban Chicago (portions of Cook, DeKalb, DuPage, Grundy, Kendall, and Will Counties).

Illinois-American also owns systems located in Cairo (Alexander County), Hardin (Calhoun County), Lincoln (Logan County), Pontiac (Livingston County), South Beloit (Winnebago County), Sterling (Whiteside County), and Streator (LaSalle and Livingston Counties).

Through a separate non-regulated operating subsidiary of AWK, AWK's Illinois operations also include providing managed water and wastewater services to Scott Air Force Base in St. Clair County, Illinois (see discussion of "Military Services Group" on p. 7).

*Illinois-American and its predecessors have operated in Illinois since 1884.* (See map of Illinois-American Water Company's Major Service Areas on p. 11.)

Illinois-American's parent company is American Water Works Company, Inc. ("American Water"), the largest and most geographically diverse investor-owned water and wastewater utility and services company in the United States as measured by both operating revenues and population served.

Today, Illinois-American Water's operations include facilities formerly owned by (1) *Northern Illinois Water Company* (purchased in 1999 and serving Champaign-Urbana-Savoy & vicinity; Pontiac, Sterling, Streator), and (2) *Citizens Utilities Company* (purchased in 2002; territory now comprises the Chicago Metro District).

IFA currently has two series of Bonds outstanding totaling approximately \$53,500,000 for Illinois American Water as of 6/1/2020, including:

- \$28,500,000, Series 2019, American Water Capital Corp. (Illinois-American Water Company), due 10/1/2039. *The IFA Series 2019 Bonds current refunded 100% of the outstanding balance of AWCC's IFA Series 2009 Bonds ; and.*
- \$25,000,000, Series 2010, American Water Capital Corp. (Illinois-American Water Company), due 5/1/2040. *The proposed IFA Series 2020 Bonds will current refund 100% of the outstanding balance of AWCC's IFA Series 2010 Bonds.*

All payments relating to these Bonds have been paid as scheduled and were current as of 6/1/2020.

ICC Regulation  
and approval of

Debt Financing: The Company is a regulated public water utility that is subject to regulation by the **Illinois Commerce Commission (“ICC”)**. The ICC approves rates, franchise areas, rates of return to stockholders, establishes debt management policies, and establishes certain operating policies and procedures.

According to Illinois-American’s management, the ICC regulates IAWC’s leveraging (and debt issued on behalf of IAWC by American Water Capital Corp.).

Again, Illinois-American plans to finance this project through its rated American Water Capital Corp. affiliate (which itself is also a wholly-owned subsidiary of American Water Works Company, Inc.). At the time of the original IFA Series 2010 Bond issue, which is to be refunded with the IFA Series 2020 Bonds, Illinois-American received ICC approval to borrow directly from its rated affiliate (i.e., American Water Capital Corp.) to finance the 2010 projects (see p. 10 for Project Listing).

IEPA Regulation: **The United States Environmental Protection Agency (“USEPA”)** and **Illinois EPA (“IEPA”)** regulate environmental, health, safety, and water quality matters (e.g., compliance with the Safe Drinking Water Act). According to Illinois-American’s management, Illinois-American Water routinely achieves water and wastewater compliance rates greater than 99%. Additionally, American Water has 15 scientists dedicated to research and partnering with water research foundations on water quality and technology-water source monitoring. According to the Company, American Water’s customers can rest assured that their water is safe due to the level of expertise monitoring water quality, including 11 Ph.D.’s, who research emerging contaminants and water quality.

Operations in  
Illinois –

Employment: In addition to Illinois-American’s 478 employees statewide, Illinois-American’s parent company (American Water Works Company, Inc.) also operates (i) a national customer service call center in Alton and (ii) a national quality control and research laboratory in Belleville that together employ over 400 people. (The cost of these corporate employees is allocated across all of American Water Works Company’s operating entities nationally, including Illinois-American Water Company.)

Additionally, through a separate AWK operating subsidiary, **Military Services Group**, the Company manages water and wastewater treatment services at Scott Air Force Base under a 50-year contract with the U.S. Department of Defense. According to AWK’s 2019 Form 10-K Report, as of 12/31/2019, the Military Services Group operated water and wastewater systems on 16 military installations as part of the U.S. government’s Utility Privatization Program.

Employees at the Alton, Belleville, and Scott Air Force Base facilities (and other American Water non-regulated subsidiaries) *have not been included in Illinois-American’s current employment total (i.e., 478) but have been reported separately on p. 4 of this report.*

Corporate ESG  
Evaluation

Score: On April 8, 2020, American Water Works Company (“NYSE Ticker: AWK”), the parent company of both American Water Capital Corp. and Illinois-American Water Company) announced it was assigned a score of 87 (out of 100) as reported in the S&P Global Ratings ESG (Environmental Social Governance) evaluation report, which AWK reported was the highest evaluation score assigned by S&P for a U.S.-based company and the second highest evaluation score globally. The primary value derived from these ESG evaluation scores is to induce investment by prospective institutional equity investors, primarily stock mutual funds and exchange-traded stock mutual funds.



Additionally, AWK has been recognized by (i) *Barron's* magazine as one of the “100 Most Sustainable Companies” (and was the highest ranked utility company, ranked at #22 out of 100); and (ii) Corporate Knights 16<sup>th</sup> Annual Global 100 list of the World’s Most Sustainable Corporations (AWK was ranked #16 and was the only U.S.-based utility on this list; and the fourth highest ranked U.S.-based company on the list after Cisco Systems (#4); Autodesk, Inc. (#5); and Hewlett Packard Enterprise Co. (#15) – see <https://www.corporateknights.com/reports/2020-global-100/2020-global-100-ranking-15795648/>.)

AWK’s Investor Relations has a dedicated web site that summarizes AWK’s corporate-wide Environmental, Social, and Governance highlights (Link: <https://ir.amwater.com/site/More/esg>).

To be clear, AWK and its underwriter (i.e., Wells Fargo Securities on the IFA Series 2020 Refunding Bonds and JPMorgan Securities on the IFA Series 2019 Refunding Bonds) do not plan to apply for either a Green Bond Rating or ESG Rating on the proposed IFA Series 2020 Bonds – which is also a Refunding Bond issue, without a new money investment component. Similarly, AWK and its underwriters currently do not contemplate applying for a Green Bond Rating or ESG Rating or on any other discrete conduit municipal bond issues undertaken by AWK/AWCC or any other operating subsidiaries (including both new project bonds and refunding bonds) or (taxable) commercial paper offerings that AWK is undertaking (including concurrent refundings of other outstanding conduit tax-exempt bond issues in Kentucky and California).

Other corporate awards and recognitions include (i) Nation’s Top 2020 Military-Friendly Spouse Employer; (ii) Top Scoring Company on the Disability Equality Index; (iii) Top 100 Best for Vets Employer by Military Times; and (iv) Listed in the Bloomberg Gender Equality Index.

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## PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

**American Water Capital Corp.**, a Delaware corporation (the “**Borrower**” or “**AWCC**”), on behalf of itself and its affiliate, **Illinois American Water Co, Inc.**, an Illinois corporation, (the “**Operating Company**” or “**IAWC**” or “**Illinois-American**”), has requested that the Authority issue not to exceed \$25,000,000 in principal amount of revenue bonds consisting of its Water Facilities Refunding Revenue Bonds (American Water Capital Corp. Project Series 2020 (the “**Series 2020 Bonds**”) and loan the proceeds thereof to the Borrower in order to provide the Borrower with the principal portion of the funds necessary to refund all of the Authority’s outstanding \$25,000,000 Water Facilities Revenue Bonds (American Water Capital Corp. Project) Series 2010 (the “**Series 2010 Bonds**”) which were issued to (i) finance certain facilities owned and operated by the Operating Company for the furnishing of water and functionally related and subordinate facilities located in various municipalities and/or counties throughout the State of Illinois and (ii) pay a portion of the costs of issuance of the Series 2010 Bonds, as permitted by the Illinois Finance Authority Act (the “**Financing Purposes**”).

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## ECONOMIC DISCLOSURE STATEMENT

### Applicant/Primary

Contact: American Water Capital Corp. (Contact: Mr. Michael (Mike) Tavani, Manager – Treasury Operations and Capital Markets, c/o American Water, 1 Water Street, Camden, NJ 08102; (T) 856.955.431; [Michael.Tavani@amwater.com](mailto:Michael.Tavani@amwater.com))

### Illinois-American Water Co. (Local Contact):

Illinois-American Water Company, 100 N. Water Works Drive, Belleville, IL 62223  
(Contact: Kenneth Jones, VP-Legal; (T) 618.239.3222; [kenneth.jones@amwater.com](mailto:kenneth.jones@amwater.com))

### Web Sites:

American Water Works Co., Inc.: <https://amwater.com>  
Illinois-American Water Co., Inc.: <https://amwater.com/ilaw/>

**Project name:** IFA Series 2020 Water Furnishing Facilities Revenue Refunding Bonds (American Water Capital Corp. /Illinois-American Water Company Project)

**Locations – Sites**

**Financed in 2009:** See project listing on p. 10.

**Land Owner:** The principal plants and properties of Illinois-American Water Company, other than mains, meters, regulators, pumping stations, and treatment plants are located on property owned in fee simple interest. Substantially all water mains are located under public rights-of-way (i.e., public streets, alleys, and highways), or under property owned by other under grants of easement. Illinois-American Water Company owns the subject properties.

**Organization:** *American Water Works Company, Inc. (Parent)*      *American Water Capital Corp. (Financing Subsidiary/Affiliate)*      *Illinois-American Water Company, Inc. (Operating Subsidiary)*

**State:** Corporation      Corporation      Corporation  
 Delaware      Delaware      Illinois

**Ownership:** Illinois-American Water Company is a wholly-owned subsidiary of American Water Works Company, Inc., a publicly-traded company with stock traded on the New York Stock Exchange (NYSE Ticker: “AWK”). There were three institutional shareholders, who owned a 5.0% or greater ownership interest in AWK’s stock (i.e., IFA ownership disclosure threshold for public companies) according to public filings as of 3/31/2020 (as reported on Bloomberg.com as of 5/21/2020), including:

- **The Vanguard Group, Inc.: 12.71%**  
 455 Devon Park Dr., Wayne, PA 19807-1815 (or P.O. Box 1101, Valley Forge, PA 19482-1101); manages and advises various Vanguard-branded mutual funds and exchange-traded funds (ETFs). [www.investor.vanguard.com/corporate\\_portal](http://www.investor.vanguard.com/corporate_portal)
- **Blackrock, Inc.: 8.50% (NYSE: BLK)**  
 40 E. 52<sup>nd</sup> St., New York, NY 10022; manages and advises Blackrock-branded Mutual Funds and Closed-end Fund, as well as and iShares-branded ETFs. [www.blackrock.com](http://www.blackrock.com)
- **State Street Corporation: 5.58% (NYSE: STT)**  
 One Lincoln Street, Boston, MA 02111; manages and advises its SPDR-branded exchange-traded funds (ETFs) through its affiliates; [www.statestreet.com](http://www.statestreet.com)

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**PROFESSIONAL & FINANCIAL**

<b>Borrower’s Counsel:</b>	Morgan, Lewis & Bockius LLP  Clayborne Sabo Wagner LLP  Ice Miller LLP	New York, NY Philadelphia, PA Belleville, IL  Chicago, IL Philadelphia, PA	Thomas Giblin, Jr. Lauren Wansor Galbraith James F. Clayborne, Michael Wagner Steven Washington
<b>Auditor:</b>	PricewaterhouseCoopers, LLP	Philadelphia, PA	Brian Wojcik
<b>Bond Counsel:</b>	Kutak Rock LLP	Chicago, IL	Deborah Boye
<b>Underwriter:</b>	Wells Fargo Securities	New York, NY	Rick Molke, Knox Gainer
<b>Underwriter’s Couns.:</b>	Ballard Spahr LLP	Philadelphia, PA	Randy Powers, Rhonda Himes
<b>General Contractors:</b>	<i>Not applicable – Refunding Bonds (no new projects)</i>		
<b>Project Engineer:</b>	<i>Not applicable – Refunding Bonds (no new projects)</i>		
<b>Bond Trustee:</b>	Wells Fargo Bank, N.A.	Pittsburgh, PA	Joseph Progar
<b>Rating Agencies:</b>	S&P Global Ratings	New York, NY	
<b>Issuer’s Counsel:</b>	Charity & Associates, P.C.	Chicago, IL	Alan Bell
<b>IFA Financial Advisor:</b>	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Brittany Whelen

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**LEGISLATIVE DISTRICTS – FOR THE 10 PROJECTS**  
**(Report all Districts within the territory served by each Project)**

Project 1 – Champaign Treatment Facility – 560 County Road 1700N, Champaign, IL

Congressional: 18  
State Senate: 46  
State House: 92

Project 2 - Peoria Water Treatment Facility (Peoria WTF) - 100 Lorentz, Peoria, IL

Congressional: 18  
State Senate: 46  
State House: 92

Project 3 - South WTF Pump Station Replacement - Lincoln

Congressional: 18  
State Senate: 44  
State House: 87

Project 4 – Pontiac WTP Chem Feed System Improvements - Pontiac

Congressional: 16  
State Senate: 53  
State House: 106

Project 5 – Tolono Pump Station Replacement – Champaign District

Congressional: 13  
State Senate: 51  
State House: 102

Project 6 – Interurban PAC Improvements – Granite City and East St. Louis

Congressional: 12  
State Senate: 57  
State House: 113, 114

Project 7 – Peoria Main Station Pilot Study and Filtration Improvements – Peoria District

Congressional: 18  
State Senate: 46  
State House: 92

Project 8 – Neil Street Booster Station – Champaign

Congressional: 13  
State Senate: 52  
State House: 103

Project 9 – Embarrass Area Pump Station – Champaign District

Congressional: 13  
State Senate: 52  
State House: 103

Project 10 – Granite City WTP Clearwell Improvements – Granite City (Interurban District)

Congressional: 12  
State Senate: 57  
State House: 113

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**ILLINOIS-AMERICAN WATER COMPANY – ALL ILLINOIS SERVICE AREAS**

**(NOTE: INCLUDES LOCATIONS NOT FINANCED WITH THE PROCEEDS OF THE ORIGINAL IFA SERIES 2010 BONDS)**



**TAB 2: NEAR NORTH MONTESSORI SCHOOL**

June 9, 2020

**\$8,500,000 (not-to-exceed amount)**  
**Near North Montessori School**

<p><b>REQUEST</b></p>	<p><b>Purpose:</b> Bond proceeds will be issued in one or more series and loaned to <b>Near North Montessori School</b>, an Illinois not for profit corporation (“<b>NNM</b>” or the “<b>Borrower</b>”) in order to (i) reimburse the Borrower for certain additional capital costs paid by the Borrower in connection with the construction and equipping of the Annex II portion of its school facilities which consist of a portion of the renovation of the existing 4-story building located at 1434 West Division Street in the City of Chicago (as more fully described below) (the “<b>Annex II Project</b>”), (ii) refund in whole the remaining outstanding principal amount of the Authority’s Educational Facility Revenue Bond (Near North Montessori School Project), Series 2009, \$10,000,000 of which was amended and reissued on December 21, 2011, and \$1,000,000 of which was amended and reissued on January 13, 2012 (collectively, the “<b>Amended 2009 Bonds</b>”), which Amended 2009 Bonds were originally issued to (a) finance, refinance (directly or indirectly) or reimburse the Borrower for costs of (a) renovation of a 4-story school building located at 1434 West Division Street, Chicago, Illinois, including ventilation, electrical and sprinkler system improvements and additional classroom, bathroom and related facilities, and construction of a new gymnasium immediately adjacent to the school building, all to be used for the education of preschool through 8th grade level children, (b) capitalized interest on the Bonds, and (c) costs of issuance of the Bonds (collectively, the “<b>2009 Project</b>” and, together with the Annex II Project, the “<b>Projects</b>”), and (iii) pay a portion of the costs of issuing the Bonds (collectively, together with the Projects, the “<b>Financing Purposes</b>”). The improvements associated with the Annex II Project will enable NNM to expand the capacity of its outdoor learning opportunities and playspace and reconfigure its building entrances to improve building safety.</p> <p><b>Program:</b> 501(c)(3) Revenue Bonds  <b>Extraordinary Conditions:</b> None.</p>								
<p><b>BOARD ACTIONS</b></p>	<p>Final Bond Resolution (<i>One-time consideration</i>)</p>								
<p><b>MATERIAL CHANGES</b></p>	<p>None. This is the first time this financing proposal has been presented to the IFA Board of Directors.</p>								
<p><b>JOB DATA</b></p>	<table border="0"> <tr> <td>136 (includes 98 teachers, 11 administrators, and 17 staff)</td> <td>Current jobs</td> <td>*N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected (Construction already completed)</td> </tr> </table> <p>*The new addition will enhance NNM’s facilities but will not increase student enrollment capacity. Accordingly, NNM does not anticipate adding any full-time/FTE staff in connection with the Annex II addition (i.e., the anticipated \$1.22 million New Money portion of this financing).</p>	136 (includes 98 teachers, 11 administrators, and 17 staff)	Current jobs	*N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected (Construction already completed)
136 (includes 98 teachers, 11 administrators, and 17 staff)	Current jobs	*N/A	New jobs projected						
N/A	Retained jobs	N/A	Construction jobs projected (Construction already completed)						
<p><b>DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>● Project Location: Chicago/Cook County/ Northeast Region</li> <li>● Type of entity: NNM is a not-for-profit pre-K-8 independent school established and incorporated in 1963 under the laws of the State of Illinois. According to NNM, enrollment is approximately 580. NNM is currently governed by a 19-member Board of Directors, comprised of 15 NNM parents and the Head of the School as a non-voting, <i>ex officio</i> member (see p. 7).</li> </ul>								
<p><b>CREDIT INDICATORS</b></p>	<ul style="list-style-type: none"> <li>● The plan of finance contemplates that the proposed IFA Series 2020 New Money and Refunding Bonds will be purchased directly by <b>Fifth Third Bank, N.A.</b> (the “<b>Bank</b>”). (Fifth Third Bank succeeded MB Financial Bank (“<b>MB</b>”) as the relationship bank for NNM following Fifth-Third’s acquisition of MB in 2019. NNM continues to be served by the same relationship managers who worked on the IFA Series 2009 financing and the 2011-2012 amendments/reissuances.</li> <li>● Near North Montessori School is a non-rated entity.</li> </ul>								
<p><b>SECURITY</b></p>	<ul style="list-style-type: none"> <li>● The Bank (as bond purchaser) will be substantially all of NNM’s assets (and is expected to be cross-collateralized and cross-defaulted with all other Fifth Third Bank credit facilities. (NNM is located at 1434 W. Division St. in Chicago.)</li> </ul>								

<p><b>MATURITY/INTEREST RATE</b></p>	<ul style="list-style-type: none"> <li>As presently contemplated, both the New Money IFA Series 2020 Bonds and the IFA Series 2020 Refunding Bonds will be amortized over 25 years (thereby extending the final maturity date on the Series 2011-2012 Bonds (Amended 2009 Bonds) approximately six years from 5/5/2039 to around 8/1/2045. (The not-to-exceed maturity date parameter authorized by the IFA Bond Resolution will be for a period not-to-exceed 40 years for both series of Bonds.)</li> <li>The Bonds are expected to bear interest either at (i) a fixed interest rate for an initial interest rate period of 7 years or (ii) at a variable rate of interest (based on LIBOR (or a successor rate)) and swapped to create a synthetic fixed interest rate for the initial 7-year term. The Bond and Loan Agreement will allow the Bonds to be extended for additional interest rate periods at the end of the initial interest rate period enabling the interest rate on the Bonds to be reset thereafter for subsequent interest rate periods that may extend until the anticipated final maturity date of the IFA Series 2020 Bonds in 2045 (as to be established by the Bond Resolution, Bond and Loan Agreement and the IRS 8038 filing).</li> </ul>																								
<p><b>SOURCES &amp; USES OF FUNDS – PRELIMINARY (SUBJECT TO CHANGE):</b></p>	<table border="0"> <thead> <tr> <th colspan="2" style="text-align: left;"><b>Sources:</b></th> <th colspan="2" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="width: 40%;">IFA Series 2020A New Money Bonds (Annex II Project)</td> <td style="width: 15%; text-align: right;">*\$1,220,000</td> <td style="width: 30%;">Project Costs</td> <td style="width: 15%; text-align: right;">\$7,405,000</td> </tr> <tr> <td>IFA Series 2020B Refunding Bonds</td> <td style="text-align: right;">*6,880,000</td> <td>Refund Series 2011-12 Bonds (Amended 2009 Bonds)</td> <td style="text-align: right;">*6,880,000</td> </tr> <tr> <td>Borrower Equity (Annex II Project)</td> <td style="text-align: right;"><u>6,285,000</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance/Financing (includes appraisal reports and title insurance)</td> <td style="text-align: right;"><u>100,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$14,385,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$14,385,000</u></b></td> </tr> </tbody> </table> <p>Note: the combined balance of Refunding Bonds and New Money Bonds is expected to total \$8,100,000. Because monthly principal and interest payments are due on the Series 2011-2012 (Amended 2009 Bonds) to be refunded, as payments on the outstanding bonds amortize, the principal balance of the IFA Series 2020A will increase (in an offsetting amount).</p>	<b>Sources:</b>		<b>Uses:</b>		IFA Series 2020A New Money Bonds (Annex II Project)	*\$1,220,000	Project Costs	\$7,405,000	IFA Series 2020B Refunding Bonds	*6,880,000	Refund Series 2011-12 Bonds (Amended 2009 Bonds)	*6,880,000	Borrower Equity (Annex II Project)	<u>6,285,000</u>					Costs of Issuance/Financing (includes appraisal reports and title insurance)	<u>100,000</u>	<b>Total</b>	<b><u>\$14,385,000</u></b>	<b>Total</b>	<b><u>\$14,385,000</u></b>
<b>Sources:</b>		<b>Uses:</b>																							
IFA Series 2020A New Money Bonds (Annex II Project)	*\$1,220,000	Project Costs	\$7,405,000																						
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		Costs of Issuance/Financing (includes appraisal reports and title insurance)	<u>100,000</u>																						
<b>Total</b>	<b><u>\$14,385,000</u></b>	<b>Total</b>	<b><u>\$14,385,000</u></b>																						
<p><b>RECOMMENDATION</b></p>	<p>Project Review Committee recommends approval.</p>																								

ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
June 9, 2020

INFORMATION IN THIS REPORT IS PRELIMINARY, AND SUBJECT TO CHANGE. ALL INFORMATION HEREIN WILL BE SUPERSEDED BY FINAL TERMS PROVIDED FOR IN THE BOND TRANSCRIPT FOR THIS FINANCING

Project: Near North Montessori School

STATISTICS

Project Number: 12483 Amount: \$8,500,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds IFA Staff: Rich Frampton, EVP and Brad R. Fletcher, VP
Location: Chicago Counties/ Regions: Cook/Northeast

BOARD ACTION

Final Bond Resolution (One-time consideration)
Conduit 501(c)(3) Revenue Bonds No IFA funds at risk
Project Review Committee recommends approval No extraordinary conditions

VOTING RECORD

None. This is the first time this project has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be used to (i) current refund the outstanding balance of NNM’s IFA Series 2009 Bonds (as amended in 2011 and 2012) (approximately \$6.880 million as of 6/1/2020), (ii) finance all or a portion of the cost of constructing and equipping NNM’s Annex II expansion project, and (iii) pay costs of issuance relating to the IFA Series 2020 Bonds and the refunding of the IFA Series 2009 Bonds (amended in 2011/2012), if deemed necessary or desirable by the Borrower.

IFA CONTRIBUTION

501(c)(3) Bonds are a form of conduit, tax-exempt municipal bond authorized under the Internal Revenue Code of 1986, as amended, that 501(c)(3) corporations can use to finance capital projects that will be used to further their mission. IFA serves as a conduit issuer that conveys federal tax-exempt status on interest paid to bondholders, thereby enabling the bond investors to accept a lower interest rate than conventional financing, which creates savings by reducing the Borrower’s interest expense compared to conventional (or taxable) financing.

VOLUME CAP

501(c)(3) Bonds do not require an allocation of Section 146 Volume Cap.

FINANCING SUMMARY

Security: The Series 2020 Bonds will be purchased directly by Fifth Third Bank, N.A. (“Fifth Third” or the “Bank”). Fifth Third will be the direct lender/investor and will continue to be NNM’s relationship bank (and will continue to fund all other NNM credit facilities and hold all of NNM’s bank accounts).
Structure: The Bank (as bond purchaser) will be secured by a gross revenue pledge and mortgages on its campus properties located in Chicago, Illinois.
Interest Rate: NNM and the Bank expect to negotiate an initial interest rate period that would be fixed (or synthetically fixed) for an initial period of 7 years. At the end of the initial interest rate period (and any subsequent interest rate period), NNM and the Bank will have the option to reset the interest rate at mutually agreed-upon terms out to the final maturity date on the Series 2020 Bonds



(currently anticipated in 2060 (up to 40 years from the date of issuance)). (The current final maturity dates on the Prior Bonds is May 5, 2039.) It is expected, however, that payments will be amortized over 25 years – until July or August 2045 (preliminary, subject to change).

**Debt Rating:** NNM is not currently a rated entity. The proposed Fifth Third Bank-purchased Series 2020 Bonds will be non-rated and purchased directly by the Bank.

**Final Maturity:** June or July 1, 2060 – up to 40 years from the date of issuance. (The Bond Resolution specifies a maximum 40-year not-to-exceed parameter from the date of issuance.) Again, the Bonds are expected to be amortized over 25 years (preliminary, subject to change).

**Estimated Closing**

**Date:** Late June 2020 or July 2020

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### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be issued in one or more series and loaned to **Near North Montessori School**, an Illinois not for profit corporation (“NNM” or the “**Borrower**”) in order to (i) reimburse the Borrower for certain additional capital costs paid by the Borrower in connection with the construction and equipping of the Annex II portion of its school facilities which consist of a portion of the renovation of the existing 4-story building located at 1434 West Division Street in the City of Chicago (as more fully described below) (the “**Annex II Project**”), (ii) refund in whole the remaining outstanding principal amount of the Authority’s Educational Facility Revenue Bond (Near North Montessori School Project), Series 2009, \$10,000,000 of which was amended and reissued on December 21, 2011, and \$1,000,000 of which was amended and reissued on January 13, 2012 (collectively, the “Amended 2009 Bonds”), which Amended 2009 Bonds were originally issued to (a) finance, refinance (directly or indirectly) or reimburse the Borrower for costs of (a) renovation of a 4-story school building located at 1434 West Division Street, Chicago, Illinois, including ventilation, electrical and sprinkler system improvements and additional classroom, bathroom and related facilities, and construction of a new gymnasium immediately adjacent to the school building, all to be used for the education of preschool through 8th grade level children, (b) capitalized interest on the Bonds, and (c) costs of issuance of the Bonds (collectively, the “**2009 Project**” and, together with the Annex II Project, the “**Projects**”), and (iii) pay a portion of the costs of issuing the Bonds (collectively, together with the Projects, the “**Financing Purposes**”). .

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### BUSINESS SUMMARY

**Background:** **Near North Montessori School** (“NNM” or the “**Borrower**”) is a not-for-profit corporation originally established and incorporated in 1963 under Illinois law. NNM received its 501(c)(3) Letter of Determination from the IRS in April 1965. NNM is currently governed by a Board of Directors, comprised of 15 voting members, plus the Head of School as a non-voting, *ex officio* member (see p. 7).

NNM’s mission is to educate students to reach their inherent potential. NNM fosters a partnership between home, school, and the community designed to foster intellectual growth, independence, responsibility, a respect for differences and a sense of self-worth.

**Description:** Near North Montessori School is one of the country’s largest and oldest Montessori schools. NNM’s current enrollment (Fall 2019 – Spring 2020) is 580. NNM has been located at 1434 W. Division since 1989, after NNM purchased and renovated an existing 4-story building originally constructed in 1892 (as the Holy Family Academy Girl’s School) with a recently completed \$7.405 million, 2-story + rooftop addition completed adjacent to the School in late 2019 (for which NNM is seeking \$1M of New Money IFA Series 2020 Bonds to reimburse itself for expenditures relating to the 2019 building addition and other interior renovations undertaken at its existing facility next door).

In 2009, IFA issued \$12.0M of tax-exempt bonds, the proceeds of which were used to substantially renovated building systems in the 4-story school facility (e.g., and electrical, HVAC improvements, and added fire sprinklers), construction of a gymnasium and a rooftop playscape. (Improvements associated with the IFA Series 2020 Bonds are described further below under “Project Rationale” (see p. 6).

NNM provides education and pre-K services from 6 months through 14 years (equivalent of Grade 8) based on the educational philosophy developed 100 years ago by Dr. Maria Montessori, an Italian physician and education innovator, based on a scientific, human development approach from birth to maturity.

NNM’s vision is to apply the Montessori methods through educational programming that encourages independent thinking, self-sufficiency, and creative problem solving that will prepare its graduates for an increasingly complex and demanding world. NNM promotes a culture of high academic standards, strong moral and ethical values and a passion for learning and self-fulfillment. NNM’s programming teaches to these values to provide a learning environment where all members of the NNM community respect and demonstrate:

- Diversity and inclusion
- Life-long learning
- Concern for others and empathy
- Integrity, honesty, and authenticity
- Civility and respect
- Responsibility
- Sustainability and Community
- Courageous leadership

NNM’s Enrollment Diversity: NNM’s racial/ethnic diversity as posted on NNM’s web site posting was as follows (for 2018-2019, the most recently completed academic year) was as follows:

- White: 45.2%
- Asian & Biracial: 22.8%
- Hispanic/Latino & Biracial: 16.6%
- Black & Biracial: 9.8%
- Multiracial & Others : 5.7%

NNM’s Teacher Credentials and Accreditation: NNM’s classes all feature at least one head teacher and one assistant teacher. Some classes, such as the Ages 3-6 classes feature 2 assistant teachers and 1 head teacher. All “head teachers” are either (i) Association Montessori Internationale (AMI), American Montessori Society (AMS), or North American Montessori Teachers Association (NAMTA) certified.

Average Teacher to Student Ratio:

- Parent/Infant Classes: 1:6
- Toddler Classes: 1:6
- Level 3-6 Classes (Pre-K – Kindergarten) Classes: 1:10
- Level 6-9 Classes (1<sup>st</sup> – 3<sup>rd</sup> Grades): 1:14
- Level 9-12 Classes (4<sup>th</sup> – 6<sup>th</sup> Grades): 1:16
- Level 12-13 Classes (7<sup>th</sup> & 8<sup>th</sup> Grades): 1:13

NNM’s campus facilities at 1434 W. Division feature the following:

- 2 gymnasiums
- Technology lab
- Science lab
- Art and ceramics studios
- Four music practice rooms
- 300-seat theatre
- Indoor swimming pool
- 14,000 title library
- Outdoor, ground-level courtyard and rooftop playscapes

**Project**

**Rationale:** The proposed IFA Series 2020 Bonds will enable NNM to reimburse approximately \$1.0 million of an approximately \$7.405 million expansion that NNM recently completed (the “Annex II” Project) that will provide facility enhancements that will expand capacity and the depth of programming to better accommodate NNM’s current enrollment.

NNM’s Board of Directors had approved both expenditures for the Annex II Project and the notion of potentially financing or refinancing with tax-exempt bonds prior to initiating construction of the new Project.

**Bond Payment**

**History:** NNM has remitted all scheduled payments to Fifth Third Bank (MB Financial Bank) since the original IFA Bonds were issued in 2009.

**ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** Near North Montessori School, 1434 W. Division St., Chicago, IL 60642  
**Website:** www.nnms.org  
**Contacts:** Mr. Robert Hart, Finance and Operations Director (773.269.6293; rhart@nms.org)  
 Ms. Erin Lowenthal, CPA, Controller (773.384.1434; elowenthal@nnms.org)  
**Project Name:** Near North Montessori School – Annex II Project and Refunding of Outstanding Bonds  
**Location:** Near North Montessori School’s Campus – 1434 W. Division Street, Chicago, IL 60642  
**Organization:** Illinois 501(c)(3) organization  
**Board Membership:** See list of Board of Trustees on p. 7

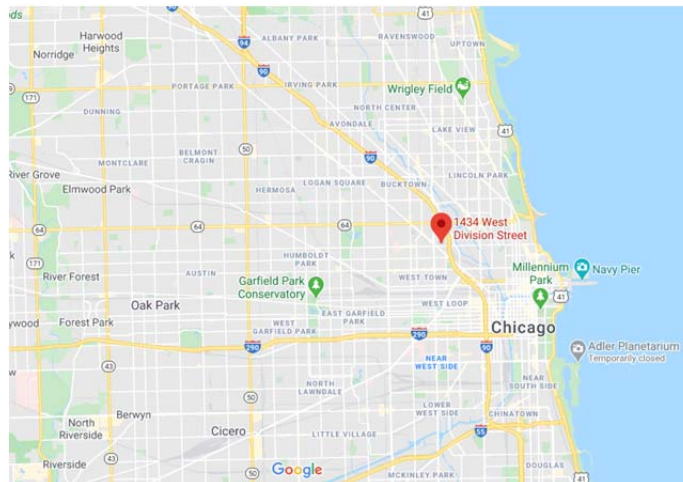
**PROFESSIONAL & FINANCIAL**

<b>Borrower’s Counsel:</b>	Winston & Strawn	Chicago, IL	Dennis Kelly
<b>Auditor:</b>	BKD	Oakbrook Terrace, IL	
<b>Bond Counsel:</b>	Greenberg Traurig LLP	Chicago, IL	Thomas Smith
<b>Bank/Purchaser:</b>	Fifth Third Bank, N.A.	Chicago, IL	Richard Berthold
<b>Bank Counsel:</b>	Quarles & Brady LLP	Chicago, IL	Mary Ann Murray
<b>Architect:</b>	Note: construction completed		
<b>General Contractor:</b>	Note: construction completed (Bulley & Andrews – Chicago)		
<b>Issuer’s Counsel:</b>	Miller Hall & Triggs, LLC	Peoria, IL	Richard Joseph
<b>IFA Advisors:</b>	Sycamore Advisors, LLC	Chicago, IL	Courtney Tobin Diana Hamilton

**LEGISLATIVE DISTRICTS**

**Congressional:** 5  
**State Senate:** 5  
**State House:** 10

**PROJECT LOCATION – NEAR NORTH MONTESSORI SCHOOL**



**Source:** Google Maps ( NNMS - 1434 W. Division St., Chicago, IL 60642)  
 IFA Public Board Book (Version 2), Page 27

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**NEAR NORTH MONTESSORI SCHOOL – BOARD OF DIRECTORS**



<b>Name</b>	<b>Title</b>
Beyer, Mary	Member
Boyer, Frederic	Treasurer
Cloudman, Gary	President
Coar, Kamau	Member
Cole, Jace	Member
Dresden, Richard	Member
Froeschle, Randall	Member
Hart, Robert*	Member
Jain, Shubhra	Secretary
Khan, Ali	Member
LaJeune, Kerl	Member
Litvin, Ariel	Member
Menitoff, Dan	Vice President
Nemirow, Kim	Member
Perrott, Audrey*	Ex-Officio
Sampson, Julianne	Member
Schar, Reid	Member
Schmid Whiting, Heidi	Member
Zweifel, Matt	Member

**TAB 3: COMMUNITY UNIT SCHOOL DISTRICT NUMBER 220  
(BARRINGTON)**

**\$50,000,000 (not-to-exceed amount)**

**Community Unit School District Number 220, Lake, Cook, Kane and McHenry Counties (Barrington)**

June 9, 2020

<b>REQUEST</b>	<p><b>Purpose:</b> Proceeds of the IFA Series 2020 Bonds will be used to purchase General Obligation School Bonds, Series 2020 (the “<b>Local Government Securities</b>”) issued by Community Unit School District Number 220, Lake, Cook, Kane and McHenry Counties, Illinois (the “<b>District</b>”) to: (i) build and equip additions to and alter, repair and equip existing buildings, including but not limited to renovating instructional spaces, restrooms and food service areas, installing school safety and security improvements, replacing roofs and mechanical, electrical and plumbing systems and constructing additions to eliminate mobile classrooms, and improve school sites (the “<b>Project</b>”) and (ii) pay for certain costs associated with the issuance of the Bonds and the Local Government Securities.</p> <p><b>Program:</b> Local Government Revenue Bonds</p> <p><b>IFA/State Funds at Risk:</b> None</p>																
<b>BOARD ACTIONS</b>	Final Bond Resolution (One-time consideration)																
<b>MATERIAL CHANGES</b>	None. This is the first time this matter has been presented to the IFA Board of Directors.																
<b>JOB DATA</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">1,201</td> <td style="width: 25%; text-align: center;">Current jobs</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">New jobs projected</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">45</td> <td style="text-align: center;">Construction jobs (12-18 months attributable to this financing)</td> </tr> </table>	1,201	Current jobs	N/A	New jobs projected	N/A	Retained jobs	45	Construction jobs (12-18 months attributable to this financing)								
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N/A	Retained jobs	45	Construction jobs (12-18 months attributable to this financing)														
<b>BORROWER DESCRIPTION</b>	<ul style="list-style-type: none"> <li>● The District is located primarily in Cook and Lake Counties, with areas extending into McHenry and Kane Counties. The District encompasses about 72 square miles and serves the following villages: all of Barrington, Lake Barrington, Tower Lakes and portions of Barrington Hills, Carpentersville, Deer Park, Fox River Grove, Port Barrington, Hoffman Estates, Inverness, North Barrington and South Barrington.</li> <li>● The District maintains the Barrington Early Learning Center (pre-K), 8 elementary schools (grades K through 5), 2 middle schools (grades 6-8), and Barrington High School (grades 9-12).</li> <li>● The District contemplates improving safety and security by eliminating mobile classrooms, enhancing building security, upgrading safety in interior classrooms and hallways and improving traffic flow. There will be dedicated STEM labs, additional physical education and wellness spaces and updated educational and community spaces for arts and athletics as part of the Project. Additionally, all buildings will have heating, air conditioning, electrical, plumbing, roof and window improvements upon completion of the Project.</li> </ul>																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>● The plan of finance contemplates that tax-exempt bonds will be underwritten by Robert W. Baird &amp; Co. as Senior Manager and Mesirow Financial, Inc., Raymond James &amp; Associates, Stifel, Nicolaus &amp; Co., Inc., Piper Sandler &amp; Co., and UBS Financial Services, Inc., each as Co-Managers.</li> <li>● The District’s voters approved a referendum in March 2020 to issue up to \$147.0 million of bonded indebtedness to pay for all or a portion of the costs of the Project.</li> <li>● Issuance of the IFA Series 2020 Bonds will constitute the first (but not only) tranche of bond financing undertaken to finance a portion of the approximate \$147.0 million Project.</li> </ul>																
<b>CREDIT INDICATORS/ SECURITY</b>	<ul style="list-style-type: none"> <li>● The Series 2020 Bonds will be sold in one or more series through a public offering based on the District’s current long-term debt rating of ‘AAA’ from S&amp;P (Outlook: Stable), assigned as of August 2015. The District expects S&amp;P to affirm the ‘AAA’ rating on the District’s outstanding bonds and to assign the same ‘AAA’ rating to the new Series 2020 Bonds in early June.</li> <li>● The District’s Series 2020 Bonds will be issued as “General Obligation Bonds” and will be payable from (i) any funds of the District legally available for such purpose, and (ii) tax revenues derived from all taxable property in the District that is subject to the levy of taxes without limitation as to rate or amount.</li> </ul>																
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>● Fixed interest rates on serial bonds to be determined at pricing, currently estimated at between 2.00% and 3.00%. Interest on the Bonds will be payable semi-annually (each June 1 and December 1) beginning June 1, 2021.</li> </ul>																
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>● The Series 2020 Bonds will be issued as a mix of serial maturities, ranging from June 1, 2021 through December 1, 2039.</li> </ul>																
<b>SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><b>Sources:</b></th> <th colspan="3" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="width: 40%;">IFA Series 2020 Bonds</td> <td style="width: 15%; text-align: right;">\$46,945,000</td> <td style="width: 25%;">Construction/Renovation</td> <td style="width: 20%; text-align: right;">\$48,814,000</td> </tr> <tr> <td>Premium</td> <td style="text-align: right;"><u>2,469,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>600,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$49,414,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$49,414,000</u></b></td> </tr> </tbody> </table>	<b>Sources:</b>	<b>Uses:</b>			IFA Series 2020 Bonds	\$46,945,000	Construction/Renovation	\$48,814,000	Premium	<u>2,469,000</u>	Costs of Issuance	<u>600,000</u>	<b>Total</b>	<b><u>\$49,414,000</u></b>	<b>Total</b>	<b><u>\$49,414,000</u></b>
<b>Sources:</b>	<b>Uses:</b>																
IFA Series 2020 Bonds	\$46,945,000	Construction/Renovation	\$48,814,000														
Premium	<u>2,469,000</u>	Costs of Issuance	<u>600,000</u>														
<b>Total</b>	<b><u>\$49,414,000</u></b>	<b>Total</b>	<b><u>\$49,414,000</u></b>														
<b>RECOMMENDATION</b>	Project Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
June 9, 2020**

**INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE**

**Project: Community Unit School District Number 220, Lake, Cook, Kane and  
McHenry Counties (Barrington)**

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**STATISTICS**

Project Number: 12482	Amount:	\$50,000,000 ( <i>not-to-exceed amount</i> )
Type: Local Government Revenue Bonds	IFA Staff:	Rich Frampton, Brad R. Fletcher, and Malcolm Simmons
Location: Barrington, Lake Barrington, Tower Lakes, Barrington Hills, Carpentersville, Deer Park, Fox River Grove, Port Barrington, Hoffman Estates, Inverness, North Barrington and South Barrington	County/Region:	Lake, Cook, Kane, McHenry/Northeast

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**BOARD ACTION**

Final Bond Resolution ( <i>One-Time Consideration</i> )	No Extraordinary Conditions
Local Government Revenue Bonds	No IFA Funds at Risk

Project Review Committee recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.

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**IFA PROGRAM AND CONTRIBUTION**

IFA's Local Government Bond Program assists units of local government, including school districts, in financing capital improvement projects. IFA's issuance conveys state income tax-exempt status on interest earned on the Bonds paid to Illinois bondholders, thereby reducing the unit of local government's interest expense.

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**VOLUME CAP**

No Volume Cap is required for IFA Local Government Revenue Bonds.

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**BUSINESS SUMMARY**

Description: **Community Unit School District Number 220, Lake, Cook, Kane, McHenry Counties, Illinois** (the "**District**") serves grades Pre-K through 12 at the Barrington Early Learning Center, eight elementary schools, two middle schools, and Barrington High School.

The District is governed by an elected 7-member Board. The day to day affairs of the District are conducted by a full time staff, including but not limited to Superintendent Dr. Brian Harris.

Background: The District was formed as a unit district in 1973 by combining two elementary districts and a high school district into one school district. The District now educates over 8,611 students from pre-kindergarten through high school. It is currently made up of eight elementary schools, two middle school campuses, one high school and one early childhood center. The District has consistently ranked among the top school districts in the State academically and has also been recognized nationally.

The District is served by an excellent network of roads, including both U.S. Route 14 (Northwest Highway) and U.S. Route 12 (Rand Road) traversing northwest-southeast. I-90 (Northwest Tollway), on the southern border of the District, providing access to O'Hare International Airport (a 30 minute drive) and linkage with the Tri-State Tollway. The District also includes many local and state roads, including Algonquin, Palatine, Barrington and Dundee Roads. The Union Pacific Railroad (Northwest Line) serves commuters with a station in Barrington, which is served, in turn, by RTA commuter bus routes. Freight service is provided by the Elgin, Joliet and Eastern Railroad.

Employees: The District currently has 1,201 employees, of whom 769 are certified and 432 are non-certified and 60 are central office staff. Of the total number of employees, 725 are represented by the Barrington Education Association and 400 are represented the Barrington School Employees Organization. The contracts expire on August 31, 2023 and June 30, 2021, respectively. The District considers its relationship with the unions to be good.

Financial Condition: The District was certified to have the best of four financial profile designations (i.e., "Financial Recognition") assigned by the Illinois State Board of Education ("ISBE") in the last five fiscal years ending June 30, 2019.

State Aid: The State provides aid to local school districts on an annual basis as part of the State's appropriations process. Many school districts throughout the State rely on such "State Aid" to fund a significant part of their budgets. For the fiscal year ended June 30, 2019, 6.36% of the District's General Fund revenue came from sources at the State, including State Aid.

Both the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget appropriated General State Aid in an amount \$350 million greater than the appropriation for the preceding fiscal year and require such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Fiscal Year 2020 Budget appropriates General State Aid in the amount of \$375 million greater than the appropriation for Fiscal Year 2019 and requires such additional funds to be distributed to school districts under the Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 set forth a new school funding formula which ties individual district funding to 27 evidence-based best practices that certain research has shown enhances student achievement in the classroom.

Outstanding Debt: The District's outstanding long-term debt as of June 1, 2020 was comprised of its (i) Series 2002 Bonds, with a principal carrying amount of \$8.02MM, (ii) Series 2012B Bonds, with a principal carrying amount of \$110,000, (iii) Series 2016 Bonds, with a principal carrying amount of \$1.87MM, and its (iv), Series 2020 Bond, with a principal carrying amount of approximately \$2.18MM.

The District has no record of default and has met its debt repayment obligations promptly and as scheduled.

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**DISTRICT FACTS**

**Table 1: Community Unit School District Number 220 Enrollment Trends\*:**

<u>Historical</u>		<u>Forecast</u>	
<u>Academic Year</u>	<u>Total Enrollment</u>	<u>Academic Year</u>	<u>Total Enrollment</u>
2015-2016	8,782	2020-2021	8,664
2016-2017	8,749	2021-2022	8,642
2017-2018	8,682	2022-2023	8,624
2018-2019	8,603	2023-2024	8,646
2019-2020	8,611	2024-2025	8,654
Average Enrollment:	<u>8,685</u>	Average Enrollment:	<u>8,646</u>

The District forecasts stable to increasing enrollment over the next 5 years. The District expects the forecast 5-year enrollment average (8,646 students) to be slightly less (0.5%) than the District’s historic average enrollment (8,685) posted over the previous 5 years (i.e., 2015-16 through 2019-20). District enrollment has increased in each of the past two years.

\*Source: Preliminary Official Statement prepared by Disclosure Counsel.

**Table 2: The Ten Largest Taxpayers in the District:**

The companies listed below are the largest taxpayers in the District and comprise approximately 4.14% of the District’s \$2,949,945,692 Equalized Assessed Value (“EAV”) posted in 2018, inclusive of tax increment finance district assessed valuation amounts.

TAXPAYER NAME	2018 EAV	PERCENT OF DISTRICT’S TOTAL EAV
MB Hoffman Estates LLC	\$24,360,891	0.83%
Barrington Healthcare Center, LLC	19,156,858	0.65%
Lincoln Property Co.	12,970,793	0.44%
Arboretums Barrington	11,260,153	0.38%
TR Greenspoint LLC	11,177,431	0.38%
Siemens	11,151,294	0.38%
Claire’s Boutique	10,367,787	0.35%
Cambridge Realty	7,950,014	0.27%
Fanuc USA Corp	7,486,136	0.25%
TNE Real Estate Corp	<u>6,378,283</u>	<u>0.22%</u>
	<u>\$122,259,640</u>	<u>4.14%</u>

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**Table 3: The Largest Employers in and near the District:**

Below is a listing of the largest non-governmental employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROX. NO. OF EMPLOYEES
Transform Holdco, LLC (successor to Sears Holdings)	Holding company headquarters; retail department store chain	Hoffman Estates	3,200
St. Alexius Medical Center	Full-service Hospital	Hoffman Estates	2,045
Advocate Good Shepherd Hospital	Hospital care	Barrington	1,700
CDK Global	Integrated information technology, digital marketing management systems	Hoffman Estates	600
Siemens Healthcare, Molecular Imaging OTTO	Nuclear medical imaging cameras	Hoffman Estates	550
	Mission-critical control switches & communication accessories for security	Carpentersville	500
Plote Construction, Inc.	Corp. headquarters; asphalt paving compounds & gravel processing	Hoffman Estates	500
Clover Technologies Group, LLC.	Company headquarters & remanufactured consumable imaging supplies	Hoffman Estates	450
CBI Distributing Corp	Distributor of costume jewelry	Hoffman Estates	400
Leopardo Companies, Inc.	General contractors & construction management	Hoffman Estates	400
PepsiCo, Inc.	Grocery products research & development lab	Barrington	400
Revcor, Inc.	OEM aluminum & steel axial & radial air flow propeller fan blades for the appliance	Carpentersville	400

Sources: 2020 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories

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**DEMOGRAPHIC INFORMATION**

**Table 4 - Population Trends:**

The District has an estimated population of 45,055 (Sources: American Community Survey 2018 & U.S. Census Bureau, 1990 Census, 2000 Census and 2010 Census).

<b>Entity:</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>1990-2010</b>
The District	N/A	N/A	44,132	N/A
Village of Barrington	9,504	10,168	10,327	8.66%
Village of Barrington Hills	4,202	3,915	4,209	0.17%
Village of Carpentersville	23,049	30,586	37,691	63.53%
Village of Deer Park	2,877	3,104	3,200	11.23%
Village of Fox River Grove	3,551	4,862	4,854	36.69%
Village of Hoffman Estates	46,561	49,495	51,895	11.46%
Village of Inverness	6,503	6,749	7,399	13.78%
Village of Lake Barrington	3,855	4,757	4,973	29.00%
Village of North Barrington	1,787	2,918	3,047	70.51%
Village of Port Barrington	665	788	1,517	128.12%
Village of South Barrington	2,937	3,760	4,565	55.43%
Village of Tower Lakes	1,333	310	1,283	-3.75%
Cook County	5,105,067	5,376,741	5,194,675	1.76%
Kane County	317,471	404,119	515,269	62.30%
Lake County	516,418	644,356	703,462	36.22%
McHenry County	183,241	260,077	308,760	68.50%
The State	11,430,602	12,419,293	12,830,632	12.25%

**Table 5 - Unemployment Rates:**

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for Barrington, Barrington Hills, Lake Barrington, and, South Barrington compared with Cook County, Lake County and the State of Illinois (these are the only District communities for which monthly employment data are available).

	Barrington	Barrington Hills	Lake Barrington	South Barrington	Cook County	Lake County	State
Average, 2015	4.5%	4.6%	4.5%	3.9%	6.2%	5.4%	6.0%
Average, 2016	4.7	4.9	4.8	3.8	6.0	5.2	5.8
Average, 2017	4.2	3.9	4.2	3.4	5.1	4.6	4.9
Average, 2018	3.7	3.1	3.9	2.7	4.0	4.5	4.3
Average, 2019	3.2	3.0	2.4	2.4	3.8	4.1	4.0

**Median Household Income:**

Source: According to the American Community Survey, 2014-2018 American Community Survey 5-year Estimates, Census Bureau, the District had a median household income of \$127,086. This compares with \$62,088 for Cook County, \$86,244 for Lake County, and \$63,575 for the State of Illinois.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant/Borrower: Community Unit School District Number 220, Lake, Cook, Kane, and McHenry Counties

Contact: Dr. David Bein  
Assistant Superintendent of Business Services/School Treasurer  
Barrington Community Unit School District 428  
515 W. Main Street  
Barrington, IL 60015  
(847) 842-3515

Website: <https://www.barrington220.org/>

Entity: Illinois Community Unit School District

Board of Education:

OFFICIAL	POSITION	TERM EXPIRES
Penny Kazmier	President	April 2021
Sandra Ficke-Bradford	Vice President	April 2021
Angela Wilcox	Secretary	April 2023
Barry Altshuler	Member	April 2023
Leah Collister-Lazzari	Member	April 2023
Gavin Newman	Member	April 2021
Michael Shackleton	Member	April 2021

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**PROFESSIONAL & FINANCIAL**

Auditor:	Lauterbach & Amen, LLP	Naperville, IL	
Borrower's Advisor:	PMA Securities, LLC	Naperville, IL	Robert Lewis Jen Currier Sheryl Marshall
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Anjali Vij Melissa Seeborg
Disclosure Counsel:	Chapman and Cutler LLP	Chicago, IL	Kelly Kost Kyle Harding
Senior Manager:	Robert W. Baird & Co., Inc.	Naperville, IL	Andrew Arndt Stephan Roberts Adam Holstine Bryan Derdenger
Co-Managers:	Mesirow Financial, Inc.	Chicago, IL	Todd Krzyskowski Daniel Barlow Melanie Castellanos
	Raymond James & Associates	Chicago, IL	Elizabeth Hennessy Paula Arnedo
	Stifel, Nicolaus & Company, Inc.	St. Louis, MO	Anne Noble
	Piper Sandler & Co.	Minneapolis, MN	John Balzano
	UBS Financial Services, Inc.	Weehawken, NJ	Allison Pink
Bond Registrar / Paying Agent:	Zions Bancorporation, N.A.	Chicago, IL	Robert Cafarelli
Issuer's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Samuel J. Witsman
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Brittany Whelan

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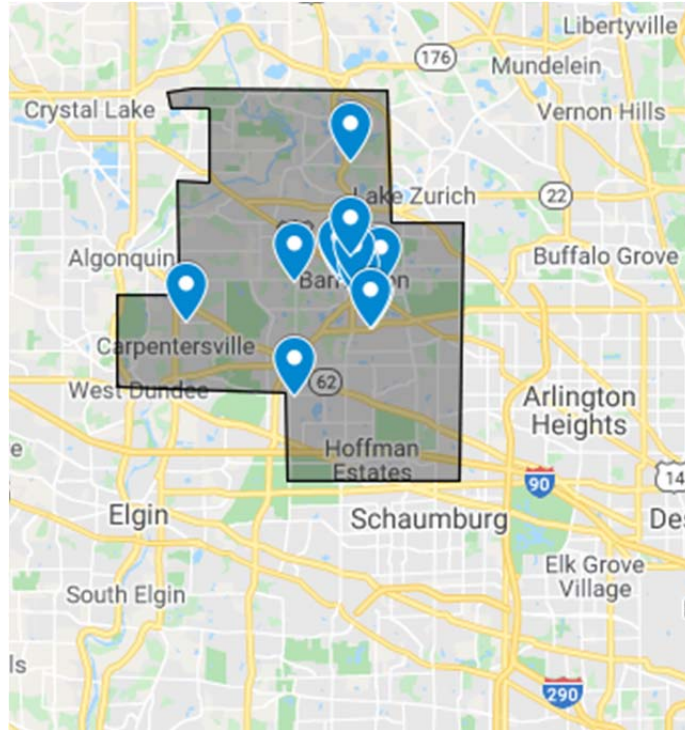
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**LEGISLATIVE DISTRICTS**

Congressional: 6  
State Senate: 26  
State House: 52

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**COMMUNITY UNIT SCHOOL DISTRICT NUMBER 220 (BARRINGTON CUSD 220) MAP**



**Source:** Google Maps (Community Unit School District 220)

**TAB 4: NORTH PARK UNIVERSITY AMENDMENT**

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: June 9, 2020

Re: Resolution Authorizing the Execution and Delivery of a Second Amendment to Bond and Loan Agreement Relating to the Revenue Bonds (North Park University Project), Series 2012 of the Illinois Finance Authority; and Related Matters  
Series 2012 File Number: E-PC-TE-CD-8572 or 12124

---

### Request:

**North Park University**, an Illinois not for profit corporation (the “**Borrower**”), and **JPMorgan Chase Bank, N.A.** (the “**Bank**” or “**Bond Purchaser**”) are requesting approval of a Resolution to (i) authorize the execution and delivery of a Second Amendment to Bond and Loan Agreement and (ii) approve related documents to effectuate a reset of the interest rate and an extension of the interest rate period in connection with the Illinois Finance Authority Revenue Bonds (North Park University Project), Series 2012 (the “**Series 2012 Bond**”).

On October 17, 2012, the Authority issued its Series 2012 Bond in the original principal amount of \$30 million which was purchased by the Bank. On June 9, 2016, the Authority authorized the execution and delivery of a First Amendment to Bond and Loan Agreement in order for the Borrower and the Bank to (i) extend the interest rate period from September 30, 2017 to September 30, 2021, (ii) revise the amortization schedule by smoothing principal repayments, and (iii) reset the initial interest rate.

The Series 2012 Bond continues to be held by the Bank, bearing a fixed interest rate for a term of 5 years otherwise ending September 30, 2021, with a final maturity date of October 1, 2042. As of June 1, 2020, the outstanding principal amounts of the Series 2012 Bond was approximately \$27,925,000.

### Impact:

Approval of this Resolution will provide consent to changes as agreed to by the Borrower and the Bank concerning the Series 2012 Bond. Specifically, the Borrower and the Bank desire to decrease the effective interest rate borne on the Series 2012 Bond by approximately 14 basis points and extend the term an additional 4 years through September 30, 2025. Bond counsel has determined that a new public hearing on the financing (i.e., “**TEFRA Hearing**” as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be required.

### Background:

Proceeds of the Series 2012 Bonds were loaned to the Borrower in order to (i) finance a portion of the costs of the construction and equipping of an approximately 101,000 square foot science and community life building to be located at or near 5125-5143 N. Christiana Avenue, Chicago, Illinois, (ii) refinance existing indebtedness of the Borrower which financed the costs of (a) the acquisition and improvements of neighboring properties located at 5035 N. Spaulding Avenue, Chicago, Illinois, 5049 N. Spaulding Avenue, Chicago, Illinois, 5001-13 N. Kedzie Avenue, Chicago, Illinois, 5214 N. Spaulding Avenue, Chicago, Illinois, 5312 N. Sawyer Avenue, Chicago, Illinois, 5349 N. Spaulding Avenue, Chicago, Illinois, 5059 N. Sawyer Avenue, Chicago, Illinois, (b) capital improvements to the Borrower's Magnuson Campus Center building located at 5000 N. Spaulding Avenue, Chicago, Illinois, and (c) capital improvements to Anderson Hall, a university residence hall also located at 5000 N. Spaulding Avenue, Chicago, Illinois, (iii) reimburse the Borrower for miscellaneous repairs, capital improvements, capital expenditures, capital additions and educational equipment and fixtures to various buildings, including construction of the nursing simulation laboratory, renovations to Ohlson House, Lund House and Anderson Hall and including landscaping and site improvements, all at or near the Borrower's campus located at 5258 N. Spaulding Avenue, Chicago, Illinois, 5148 N. Kedzie Avenue, Chicago, Illinois, 5148 N. Spaulding Avenue, Chicago, Illinois, 5111 N. Spaulding Avenue, Chicago, Illinois, 5130 N. Christiana Avenue, Chicago, Illinois, 5001-07 N. Spaulding Avenue/3246-56 W. Argyle Street, Chicago, Illinois, 3225 West Foster Avenue, Chicago, Illinois, 5000 N. Spaulding Avenue, Chicago, Illinois, 3230 W. Carmen Avenue, Chicago, Illinois and 3311-3315 W. Foster Avenue, Chicago, Illinois (collectively, the “**Project**”) and (iv) pay all or a portion of the costs of issuing the Series 2012 Bonds.

All payments relating to the Series 2012 Bond were current as of June 1, 2020, and have been paid as scheduled.

As a conduit bond issue, JPMorgan Chase Bank, N.A., the Bond Purchaser for the Series 2012 Bond, continues to assume 100% of the borrower default risk.

**Recommendation:**

The Project Review Committee recommends approval.

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**ECONOMIC DISCLOSURE STATEMENT**

Board of Trustees:

Virgil Applequist  
Peggy Bley  
Jon Bonkoski  
Howard K. Burgoyne  
Jay Carstenbrock  
Greg Crawford  
Marvin Curtis  
Andrea Dennis  
Gregory Dolezal  
David Dwight  
Kathryn Edin

Rebekah Eklund  
Arriel Gray, Jr.  
Keith Hamilton  
David Helwig  
Dawn Helwig  
Marcia Jimenez  
Mary C. Miller  
Jodi DeYoung Moore  
Peter Nelson  
Erin Oleniczak  
Aaron Olson

David Otfinoski  
Mary Surridge  
Thomas Trautman  
Melissa Velez-Luce  
John Wenrich  
Kristian Werling  
Gregory Wittrock  
Dennis Wolff  
David Youngberg

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**PROFESSIONAL & FINANCIAL**

Borrower's Advisor:	Blue Rose Capital Advisors, LLC	Minneapolis, MN	Erik Kelly Scott Talcott
Borrower's Counsel:	Erickson Peterson Cramer	St. Paul, MN	Julie Peterson
Bond Counsel:	Ice Miller LLP	Indianapolis, IN Columbus, OH	Michael P. Allen Susan Price
Purchaser:	JPMorgan Chase Bank, N.A.	Chicago, IL	James Hawks Whitney Brady
Bank Counsel:	Scott & Kraus, LLC	Chicago, IL	Drew Scott
Issuer's Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Courtney Tobin Diana Hamilton

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**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO BOND AND LOAN AGREEMENT RELATING TO THE REVENUE BOND (NORTH PARK UNIVERSITY PROJECT) SERIES 2012 OF THE ILLINOIS FINANCE AUTHORITY AND RELATED MATTERS**

**WHEREAS**, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “Authority”), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the “Act”), has previously issued its \$30,000,000 original principal amount Revenue Bond (North Park University Project) Series 2012 (the “Bond”); and

**WHEREAS**, in furtherance of the issuance of the Bond, the Authority entered into a Bond and Loan Agreement dated as of October 1, 2012 (the “2012 Agreement”) with JPMorgan Chase Bank, N.A. as the owner of the Bond (the “Purchaser”), and North Park University, an Illinois not for profit corporation (the “Borrower”), pursuant to which the proceeds of the Bond were lent by the Authority to the Borrower in order to (i) finance a portion of the costs of the construction and equipping of an approximately 101,000 square foot science and community life building to be located at or near 5125-5143 N. Christiana Avenue, Chicago, Illinois, (ii) refinance then existing indebtedness of the Borrower which financed the costs of (a) the acquisition and improvements of neighboring properties located at 5035 N. Spaulding Avenue, Chicago, Illinois, 5049 N. Spaulding Avenue, Chicago, Illinois, 5001-13 N. Kedzie Avenue, Chicago, Illinois, 5214 N. Spaulding Avenue, Chicago, Illinois, 5312 N. Sawyer Avenue, Chicago, Illinois, 5349 N. Spaulding Avenue, Chicago, Illinois, 5059 N. Sawyer Avenue, Chicago, Illinois, (b) capital improvements to the Borrower’s Magnuson Campus Center building located at 5000 N. Spaulding Avenue, Chicago, Illinois, and (c) capital improvements to Anderson Hall, a university residence hall also located at 5000 N. Spaulding Avenue, Chicago, Illinois, (iii) reimburse the Borrower for miscellaneous repairs, capital improvements, capital expenditures, capital additions and educational equipment and fixtures to various buildings, including construction of the nursing simulation laboratory, renovations to Ohlson House, Lund House and Anderson Hall and including landscaping and site improvements, all at or near the Borrower’s campus located at 5258 N. Spaulding Avenue, Chicago, Illinois, 5148 N. Kedzie Avenue, Chicago, Illinois, 5148 N. Spaulding Avenue, Chicago, Illinois, 5111 N. Spaulding Avenue, Chicago, Illinois, 5130 N. Christiana Avenue, Chicago, Illinois, 5001-07 N. Spaulding Avenue/3246-56 W. Argyle Street, Chicago, Illinois, 3225 West Foster Avenue, Chicago, Illinois, 5000 N. Spaulding Avenue, Chicago, Illinois, 3230 W. Carmen Avenue, Chicago, Illinois and 3311-3315 W. Foster Avenue, Chicago, Illinois (collectively, the “2012 Project”) and (iv) pay all or a portion of the costs of issuing the Bond; and

**WHEREAS**, the Purchaser, the Borrower and the Authority entered into a First Amendment to the Bond Purchase and Loan Agreement dated June 15, 2016 (the “First Amendment” and together with the 2012 Agreement, the “Agreement”) in order to amend certain provisions related to the interest rate determination applicable to the Bond and certain other changes to the 2012 Agreement; and

**WHEREAS**, the Purchaser, the Borrower and the Authority now desire to enter into a Second Amendment to the Bond Purchase and Loan Agreement (the “Second Amendment”) in order to amend the interest rate determination provisions applicable to the Bond and make certain other changes to the Agreement; and

**WHEREAS**, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of the Second Amendment, a new or amendatory IRS Form 8038, and if deemed necessary or desirable, a Supplemental Certificate of the Authority Re: Arbitrage and Other Federal Tax Matters of the Authority and the Borrower (the “Arbitrage Certificate”) in connection with any deemed reissuance of the Bond as a result of the amendments; and

**WHEREAS**, the Second Amendment and the Arbitrage Certificate are referred to collectively herein as the “Authority Documents.”

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY THAT:**

1. All of the recitals contained in the preambles to this Resolution are full, true and correct, and are hereby incorporated into this Resolution by this reference.

2. Pursuant to the Act, the amendment of the terms of the Agreement in accordance with the terms of the Second Amendment are hereby approved and authorized, and such modifications are in furtherance of the Authority’s public purposes.

3. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or any person duly appointed by the Members to serve in such offices on an interim basis (each an “Authorized Officer”), and the delivery and use, of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Authority Documents. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved (or, with respect to the Arbitrage Certificate, the form customarily used by bond counsel on similar Authority transactions), or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the terms of the Bond and the purchase thereof.

4. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of an amended Bond, a Form 8038 with respect to the Bond and any additional documents and instruments as may be necessary to carry out and comply with the provisions of these resolutions or the Authority Documents), and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Authority Documents.

5. All acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same hereby are, in all respects, ratified, confirmed and approved.

6. The Bond and the interest thereon shall continue to be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority from the Borrower pursuant to the Agreement, as amended (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Agreement)). The Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Bond, (ii) the income and revenues derived by the

Authority from the Borrower pursuant to the Agreement, as amended, and other amounts available under the Agreement, as amended, and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

7. The Authority's closing fee will be \$3,000 payable at closing.
8. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Amendatory Resolution.
9. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.
10. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

**TAB 5: BOND MODIFICATIONS OMNIBUS RESOLUTION**

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Elizabeth Weber, General Counsel  
Brad R. Fletcher, Vice President

Date: June 9, 2020

Re: Resolution Concerning Certain Modifications of the Terms of Debt Issues of the Illinois Finance Authority and its Predecessor Authorities and Other Matters

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Attached for your consideration is a resolution delegating to the Chair, Vice Chair, and Executive Director, among other officers of the Illinois Finance Authority (the "Authority"), the authorization to execute and deliver certain documents for the deferral of the payment of principal of, redemption premium or interest on outstanding bonds, notes or other obligations of the Authority (the "Bonds") or the modification, forbearance or waiver of other provisions of the Bonds or Bond documents.

Given the current economic conditions, some of the Authority's conduit borrowers and their respective lenders have negotiated or may potentially negotiate a modification, forbearance, or waiver related to their outstanding debt. Nevertheless, the related Bond documents may require that the Authority provide its acknowledgment or consent or that the Authority execute an amendment or modification to the Bond documents.

The Authority desires to facilitate the agreements between the conduit borrowers and lenders to the extent the Authority is needed to acknowledge or, if required, to approve or consent to the agreements. The resolution provides delegation authorization to meet the expectations of the Authority's borrowers and lenders on a timely basis. Furthermore, such delegation authorization better aligns Authority resources with clients' needs as borrowers do not incur a fee payable to the Authority for such requests.

The delegation authority is subject to the following conditions:

- (1) any required bondholder consent has been obtained;
- (2) the Bond modifications must not violate any parameter set forth in the original approving Bond resolution;
- (3) Bond counsel must provide an opinion to the effect that the Bond modifications will not adversely affect the tax-exempt status of the Bonds;
- (4) the changes do not result in a reissuance for tax purposes; and
- (5) there is no change to the requirement to file the Illinois Comptroller C-08 forms.

Staff recommends approval.

## RESOLUTION NUMBER 2020-0609-CF05

### RESOLUTION CONCERNING CERTAIN MODIFICATIONS OF THE TERMS OF DEBT ISSUES OF THE ILLINOIS FINANCE AUTHORITY AND ITS PREDECESSOR AUTHORITIES AND OTHER MATTERS

WHEREAS, the Illinois Finance Authority (the “*Authority*”) has been created by the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1, et seq. (the “*Act*”); and

WHEREAS, pursuant to Section 845-75 of the Act, the rights, powers, duties and responsibilities formerly exercised by the Illinois Development Finance Authority; the Illinois Farm Development Authority; the Illinois Health Facilities Authority; the Illinois Educational Facilities Authority; the Illinois Community Development Finance Corporation; the Illinois Rural Bond Bank and the Illinois Research Park Authority (the “*Predecessor Authorities*”) are now the rights, powers, duties and responsibilities of the Authority, which were assumed and are now exercised by the Authority in accordance with the Act; and

WHEREAS, the Authority and certain of the Predecessor Authorities have issued bonds, notes or other obligations of one or more series, and the Authority, from time to time will issue bonds, notes or other obligations (collectively, the “*Bonds*”) under certain trust agreements, trust indentures, bond and loan agreements and other security documents (collectively, the “*Indentures*”); and

WHEREAS, to evidence the loan of the proceeds of Bonds, the Authority and certain of the Predecessor Authorities have entered, or the Authority will enter, into certain loan agreements, mortgages, bond and loan agreements or other financing agreements (collectively, the “*Agreements*”) with certain “persons,” as such term is defined in the Act (individually, a “*Borrower*” and collectively, the “*Borrowers*”); and

WHEREAS, the terms of such previously issued Bonds and previously executed Indentures and Agreements were approved by resolutions adopted by the Authority or the Predecessor Authorities and the terms of any Bonds, Indenture and Agreements to be issued will be approved by resolutions adopted by the Authority (collectively, the “*Approving Resolutions*”); and

WHEREAS, a Borrower may negotiate with the owner or owners of Bonds issued for the benefit of such Borrower (or beneficial owners holding such Bonds through the book-entry only system of the Depository Trust Company) (individually, a “*Bondholder*” and collectively, the “*Bondholders*”) for the deferral of the payment of principal of, redemption premium or interest on such Bonds or the modification, forbearance or waiver of other provisions of such Bonds, related Indentures or Agreements and other related documents (“*Bond Modifications*”), which Bond Modifications are being made with the requisite Bondholder consent pursuant to the applicable terms of the Bonds, Indenture or Agreement (the “*Bondholder Consent*”); and

WHEREAS, from time to time Borrowers or Bondholders, or any legal counsel or advisor on their behalf, may request that the Authority, in connection with Bond Modifications, execute and deliver supplements or amendments to Bonds or the related Indentures, Agreements or other related documents, provide acknowledgements of Bond Modifications or, if required, provide consents or waivers of the Bond Modifications, or execute and deliver any related certificates; and

WHEREAS, in order to facilitate the above-mentioned activities, the Authority wishes to delegate to its Chair, its Vice Chair, its Executive Director, its General Counsel or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis or otherwise authorized to act as provided by resolutions of the Authority (collectively, the “*Authorized Officers*”), the authority to, upon the request of a Borrower or Bondholder, or any legal counsel or advisor on their behalf, take such actions described above.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

*Section 1. Amendments of Documents.* The Authority is hereby authorized to enter into one or more supplements or amendments to Bonds or the related Indentures or Agreements to effect Bond Modifications that are requested by or on behalf of a Borrower or Bondholder and approved by the necessary Bondholder Consent, and to execute and deliver any acknowledgements, consents, waivers or certificates related to such Bond Modifications (“*Bond Modification Documents*”), provided that (i) any such Bond Modifications would not cause the related document, as so supplemented or amended, to violate any parameter set forth in the Approving Resolution, (ii) if the interest on the Bonds is excluded from gross income for purposes of federal income tax, there is delivered an opinion of bond counsel in form and substance acceptable to the Authority to the effect that the execution and delivery of such supplement or amendment will not, in and of itself, cause interest on the related Bonds to be included in gross income for purposes of federal income taxation, (iii) bond counsel has determined that a filing of an Internal Revenue Service Form 8038, 8038-G or 8038-GC is not required in connection with such Bond Modifications and (iv) such Bond Modifications do not include any waiver of the requirement to file or prepare and file with the Office of Comptroller of the State of Illinois a Form C-08, Notice of Payment of Bond Interest and/or Principal, as required by the related Indenture or Agreement, including, but not limited to, during any period of deferral of the payment of principal of, redemption premium or interest on any Bonds; the Authority hereby delegates to each Authorized Officer the authority to approve the form, terms and provisions of such Bond Modification Documents on behalf of the Authority; each Authorized Officer is hereby authorized, empowered and directed to execute and deliver, and the Secretary and any Assistant Secretary of the Authority are hereby authorized, empowered and directed to attest and to affix the official seal of the Authority to such Bond Modification Documents in the name, for and on behalf of the Authority, and thereupon to cause such Bond Modification Documents to be delivered, each such Bond Modification Documents to be in the form approved by the Authorized Officer executing the same, the execution thereof to constitute conclusive evidence of the acknowledgement by, or approval of, such Authorized Officer and the Authority of the form, terms and provisions thereof; when such Bond Modification Document is executed, attested, sealed and delivered on behalf of the Authority in accordance with this

Resolution, such Bond Modification Documents shall be binding on the Authority; and from and after the execution and delivery of such Bond Modification Documents, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Bond Modification Documents as executed.

*Section 2. Other Documents.* The Authorized Officers and any other officer of the Authority are hereby authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority to effect the Bond Modifications and the foregoing described matters, including but not limited to, the execution and delivery of revised forms of bonds to reflect the purposes of this Resolution, any and all supplements to or new tax exemption certificates and agreements among the Authority, the related Borrower and the related bond trustee, if deemed necessary by bond counsel to the Authority (collectively, the “*Other Documents*”), (ii) acknowledge or approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the related Borrower and the related Bondholder and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, effecting the Bond Modifications, and the foregoing described matters and/or the execution, delivery and performance of any supplement or amendment to an Indenture, Agreement and the Other Documents; and all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, are hereby authorized, ratified, approved and confirmed.

*Section 3. Authorization to Remain in Effect.* The foregoing authorizations and approvals shall remain in full force and effect until rescinded by further action of the Authority.

*Section 4. Delivery of Resolution.* The person executing any supplement or amendment to an Indenture or Agreement, acknowledgement, consent, approval or any other necessary or desirable document pursuant to this Resolution is hereby authorized to deliver a certified copy of this Resolution as evidence that the Authority has approved the same if the requirements of this Resolution are met.

*Section 5. Other Acts.* All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

*Section 6. Severability.* The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

*Section 7. Incorporation of Preambles.* The preambles to this Resolution are incorporated by reference as part of this resolution.



Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Assistant Secretary

[SEAL]

**TAB 6: FISCAL YEAR 2021 BUDGET**

Date: June 9, 2020

To: Eric Anderberg, Chairman  
Michael W. Goetz, Vice Chairman  
James J. Fuentes  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

From: Christopher B. Meister, Executive Director  
Jacob Stuckey, Deputy Executive Director  
Ximena Granda, Manager of Finance and Administration

Subject: ***Authority Fiscal Year 2021 ("FY21") Budget Narrative***

For FY21, the Authority proposes a budget that breaks even while maintaining the Authority's headcount that provides capabilities for positive impact and diversifying its revenue sources. Despite COVID-19 uncertainty, we are able to see, with varying degrees of certainty, a pipeline of projects in FY21 across diverse sectors. The pandemic is unprecedented. Both the pandemic and the path to the next normal will likely take unexpected directions.

It is clear that COVID-19 has imposed severe financial and organizational pressures on sectors traditionally served by the Authority and its predecessors. These sectors include but are not limited to non-profit healthcare, non-profit education, both at the university/college level and the grade pre-K through 12 levels, non-profit cultural institutions and senior living. As always, there is market risk as demonstrated by the disruption in late March 2020. This recent market disruption was largely remedied by aggressive federal intervention across the national economy, including the municipal market.

On the other hand, the Authority could also see an increase of revenues under a variety of scenarios. Interest rates may rise, thus increasing the economic value of federal tax-exemption. If advance refunding is restored at the federal level, the Authority could see increased activity. Other federal decisions could also drive Authority activity such as increased federal tax rates, the revival of tools similar to the recovery zone municipal finance programs during the Great Recession, the modernization of industrial revenue bonds, or other strategies.

In any event, the proposed budget actively controls costs while working to diversify our revenue consistent with the Authority's public mission. This proposed budget also continues to support the talent necessary under the Authority's ***Transformation Initiative***.

A summary of the proposed budget is provided below:

- The Fiscal Year 2021 Budget estimates an increase in total Operating Revenue versus the Fiscal Year 2020 total Operating Revenue Budget by approximately \$119 thousand or approximately 3.1%. The Fiscal Year 2021 Budget estimates an increase in total Operating

- Revenue versus the estimated actual Fiscal Year 2020 total Operating Revenue by approximately \$625 thousand or approximately 18.9%.
- The Fiscal Year 2021 Budget estimates a decrease in total Operating Expenses versus the Fiscal Year 2020 total Operating Expenses Budget by approximately \$622 thousand or approximately 13.0%. The Fiscal Year 2021 Budget estimates a decrease in total Operating Expenses versus the estimated actual Fiscal Year 2020 total Operating Expenses by approximately \$230 thousand or approximately 5.2%.
  - The Fiscal Year 2021 Budget estimates a decrease in total Non-Operating Revenue versus the Fiscal Year 2020 total Non-Operating Revenue Budget by approximately \$731 thousand or approximately 73.8%. The Fiscal Year 2021 Budget estimates a decrease in total Non-Operating Revenue versus the estimated actual Fiscal Year 2020 total Non-Operating Revenue by approximately \$933 thousand or approximately 78.2%.

**RESOLUTION NO. 2020-0609-AP06**

**RESOLUTION ADOPTING THE BUDGET OF THE  
ILLINOIS FINANCE AUTHORITY FOR FISCAL YEAR 2021**

**WHEREAS**, pursuant to Section 801-30(e) of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act") and Article VI, Section 3 of Resolution No. 2007-07-21, Resolution Adopting the Amended and Restated By-Laws of the Illinois Finance Authority, the Illinois Finance Authority created and existing as a body corporate and politic under the laws of the State of Illinois, particularly the Act (the "Authority"), is authorized to adopt a budget reflecting the revenues and expenses of the Authority for Fiscal Year 2021; and

**WHEREAS**, the Executive Director, with the assistance of the staff of the Authority, has, based upon review and analysis, prepared a Budget for Fiscal Year 2021, attached hereto as Exhibit A (the "Budget"), to support the operations of the Authority during Fiscal Year 2021 pursuant to the various purposes set forth in the Act; and

**WHEREAS**, the Authority has determined that the adoption of the Budget is in the best interest of the Authority;

**NOW, THEREFORE, BE IT RESOLVED** by the Members of the Illinois Finance Authority as follows:

**Section 1. Recitals.** The recitals set forth above are found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

**Section 2. Adoption of Fiscal Year 2021 Budget.** The revenues, receipts and other available funds set forth in the Budget for Fiscal Year 2021, commencing July 1, 2020, and ending June 30, 2021, are hereby appropriated to meet the purposes of the Act. The Executive Director, in conjunction with the other officers of the Authority, is authorized to expend funds during Fiscal Year 2021 in accordance with the Budget. Nothing in this Resolution prohibits the Members of the Authority or the Executive Director from revising or supplementing the Budget during Fiscal Year 2021 if necessary and in accordance with the Act and the By-Laws of the Authority.

**Section 3. Implementation.** The Authority hereby authorizes, empowers and directs the Executive Director of the Authority, or his designee(s), to take or cause to be taken any and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as he may deem necessary, appropriate or advisable in order to carry out the purpose and intent of this Resolution.

**Section 4. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

**Section 5. Enactment.** This Resolution shall take effect immediately.

This Resolution No. 2020-0609-AP06 is approved and effective this 9th day of June, 2020 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

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Executive Director

[Seal]

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Assistant Secretary

**EXHIBIT A**

**Fiscal Year 2021 Budget**

## Illinois Finance Authority FY 2021 Proposed General Operating Fund Budget

	FY 2020 Actual				2021 Proposed		Difference between	Difference between
	FY 2019 Actual	YTD (through May 2020)	Estimated FY 2020 Actual*	FY 2020 Budget	Budget	FY20 Budget and FY21 Budget (decrease)	FY20 Actual and FY21 Budget (decrease)	
<b>Operating Revenues:</b>								
Closing Fees	\$ 2,272,404	\$ 2,279,541	\$ 2,359,541	\$ 2,614,408	\$ 2,950,000	\$ 335,592	\$ 590,459	
Annual Fees	\$ 245,887	\$ 211,120	\$ 230,313	\$ 216,000	\$ 210,000	\$ (6,000)	\$ (20,313)	
Administrative Service Fees	\$ 265,977	\$ 189,200	\$ 206,400	\$ 260,000	\$ 188,821	\$ (71,179)	\$ (17,579)	
Application Fees	\$ 20,600	\$ 39,550	\$ 43,145	\$ -	\$ 50,000	\$ 50,000	\$ 6,855	
Miscellaneous Fees	\$ 2,794	\$ 941	\$ 1,027	\$ -	\$ 3,000	\$ 3,000	\$ 1,973	
Interest Income-Loans	\$ 501,617	\$ 421,990	\$ 460,353	\$ 713,879	\$ 525,000	\$ (188,879)	\$ 64,647	
Other Revenue	\$ 1,659	\$ 1,335	\$ 1,456	\$ 3,500	\$ -	\$ (3,500)	\$ (1,456)	
<b>Total Operating Revenue:</b>	<b>\$ 3,310,938</b>	<b>\$ 3,143,677</b>	<b>\$ 3,302,235</b>	<b>\$ 3,807,787</b>	<b>\$ 3,926,821</b>	<b>\$ 119,034</b>	<b>\$ 624,586</b>	
<b>Operating Expenses:</b>								
Employee Related Expense	\$ 2,555,253	\$ 2,343,059	\$ 2,556,064	\$ 2,868,426	\$ 2,508,998	\$ (359,428)	\$ (47,066)	
Professional Services	\$ 1,437,808	\$ 964,116	\$ 1,276,763	\$ 1,319,000	\$ 1,096,000	\$ (223,000)	\$ (180,763)	
Occupancy Costs	\$ 173,734	\$ 169,561	\$ 184,976	\$ 179,520	\$ 180,000	\$ 480	\$ (4,976)	
General & Administrative	\$ 378,527	\$ 340,471	\$ 371,423	\$ 412,000	\$ 372,000	\$ (40,000)	\$ 577	
Depreciation and Amortization	\$ 16,898	\$ 15,959	\$ 17,410	\$ 20,000	\$ 20,000	\$ -	\$ 2,590	
<b>Total Operating Expense</b>	<b>\$ 4,562,220</b>	<b>\$ 3,833,166</b>	<b>\$ 4,406,636</b>	<b>\$ 4,798,946</b>	<b>\$ 4,176,998</b>	<b>\$ (621,948)</b>	<b>\$ (229,638)</b>	
<b>Operating Income(Loss)</b>	<b>\$ (1,251,282)</b>	<b>\$ (689,489)</b>	<b>\$ (1,104,401)</b>	<b>\$ (991,159)</b>	<b>\$ (250,177)</b>	<b>\$ 740,982</b>	<b>\$ 854,224</b>	
<b>Nonoperating Revenue(Expenses):</b>								
Interest and Investment Income	\$ 1,280,141	\$ 830,261	\$ 905,739	\$ 1,031,160	\$ 260,000	\$ (771,160)	\$ (645,739)	
Net Appreciation (Depr) in Fair Value of Investments		\$ 332,428	\$ 300,000	\$ -	\$ -	\$ -	\$ (300,000)	
Realized Gain (Loss) on Sale of Investments		\$ (12,315)	\$ (12,315)	\$ -	\$ -	\$ -	\$ 12,315	
Miscellaneous Nonoperating Revenues (Expenses)	\$ (15,595)	\$ -	\$ -	\$ (40,008)	\$ -	\$ 40,008	\$ -	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 1,264,546</b>	<b>\$ 1,150,374</b>	<b>\$ 1,193,424</b>	<b>\$ 991,152</b>	<b>\$ 260,000</b>	<b>\$ (731,152)</b>	<b>\$ (933,424)</b>	
<b>Net Income (Loss) Before Transfers</b>	<b>\$ 13,264</b>	<b>\$ 460,885</b>	<b>\$ 89,023</b>	<b>\$ -</b>	<b>\$ 9,823</b>	<b>\$ 9,830</b>	<b>\$ (79,200)</b>	

\*Used known closing and trend analysis, taking into account overall uncertainty

\*\*Depending on circumstances, Net Income for FY 2020 could reflect a loss of up to \$210,000 at year end

Tuesday, June 9, 2020



**TAB 7: ACCEPTANCE OF FISCAL YEAR 2018 AND 2019 COMPLIANCE  
EXAMINATION**

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Executive Director Chris Meister

Date: June 9, 2020

Re: Resolution Regarding the Illinois Finance Authority Compliance Examination for the Two Fiscal Years Ended June 30, 2019

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Attached please find for your consideration Resolution accepting the Illinois Finance Authority Compliance Examination for Fiscal Years 2018 & 2019 performed by RSM US LLP as Special Assistant Auditors for the Auditor General, State of Illinois. You may view the digest of the audit at: <https://www.auditor.illinois.gov/Audit-Reports/Compliance-Agency-List/Finance-Auth/FY19-Finance-Auth-Comp-Digest.pdf>

**RESOLUTION NO. 2020-0609-AP07**

**RESOLUTION TO ACCEPT THE FISCAL YEARS 2018 & 2019  
COMPLIANCE EXAMINATION**

**WHEREAS**, the Illinois Finance Authority (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (the “Illinois Finance Authority Act”); and

**WHEREAS**, pursuant to the Act, the Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act (30 ILCS 5/1-1 *et seq.*) (the “Illinois State Auditing Act”); and

**WHEREAS**, it is the Auditor General’s responsibility to maintain an effective system of internal controls over compliance requirements; and

**WHEREAS**, RSM US LLP performs as Special Assistant Auditors for the Auditor General; and

**WHEREAS**, RSM US LLP conducted the Authority’s Compliance Examination for the two years ended June 30, 2019 (the “Fiscal Years 2018 & 2019 Compliance Examination”) in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States; the Illinois State Auditing Act; and the Audit Guide as adopted by the Auditor General pursuant to the Illinois State Auditing Act; and

**WHEREAS**, on April 15, 2020 the Auditor General released the Authority’s Fiscal Years 2018 & 2019 Compliance Examination; and

**WHEREAS**, in the opinion of the Special Assistant Auditors, except for the noncompliance described in the Authority’s Fiscal Years 2018 & 2019 Compliance Examination findings, the Authority complied, in all material respects, with the requirements described therein for the two years ended June 30, 2019.

**NOW, THEREFORE**, Be It Resolved by the members of the Illinois Finance Authority, as follows:

**Section 1. Recitals.** The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

**Section 2. Acceptance of Illinois Finance Authority Fiscal Years 2018 & 2019 Compliance Examination.** The Authority hereby accepts the Compliance Examination for two fiscal years ended June 30, 2019.

**Section 3. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

**Section 4. Conflicts.** All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

**Section 5. Immediate Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

This Resolution No. 2020-0609-AP07 approved and effective this 9th day of June, 2020 by roll-call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Assistant Secretary

[SEAL]

**TAB 8: APPROVAL OF JCAR RULES**

**RESOLUTION 2020-0609-GP08**

**RESOLUTION APPROVING PROPOSED REPEAL, MODIFICATION, AND AMENDMENT OF EXISTING RULES, INCLUDING IMPLEMENTATION OF CERTAIN NEW RULES, TO THE ILLINOIS ADMINISTRATIVE CODE REGARDING THE ILLINOIS FINANCE AUTHORITY; AND RELATED MATTERS**

**WHEREAS**, the Illinois Finance Authority (the “Authority”) receives its powers as a “body politic and corporate” from Section 801-30 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 *et seq.* (the “Act”), and

**WHEREAS**, Section 801-30(e) of the Act authorizes the Authority to “adopt all needful ordinances, resolutions, bylaws, rules and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired and improved in furtherance of its purposes”; and

**WHEREAS**, Section 801-30(f) of the Act empowers the Authority to “have and exercise all powers and be subject to all duties otherwise necessary to effectuate the purposes of” the Act; and

**WHEREAS**, Section 801-40(d) of the Act authorizes the Authority to “adopt rules and regulations prescribing the procedures by which persons may apply for assistance under this Act”; and

**WHEREAS**, on November 13, 2018, the Authority adopted Resolution 2018-1113-GP08 approving the amendment of certain rules pertaining to various Authority programs, including, but not limited to, Property Assessed Clean Energy bond financings, which proposed amended rules have remained in development and review since that time; and

**WHEREAS**, as part of its annual fiscal year review for Fiscal Year 2020, the Authority has determined the need to make additional updates, amendments, changes and/or deletions to other rules, including, but not limited to, its Beginning Farmer Bond Program, as well as the establishment of new rules pertaining to its Financing Programs, Veteran’s Assistance, Illinois Housing Partnership Program, Loan Participation Program, and Illinois Farm Development Program; and

**WHEREAS**, the Authority has determined that it is in the best interest of the Authority to approve this new Resolution, which shall supersede Resolution 2018-1113-GP08 by updating the changes authorized under Resolution 2108-1113-GP08 and incorporating the other aforementioned desired changes, including, but not limited to, the referenced changes to the Beginning Farmer Bond rules and the establishment of new rules pertaining to its Financing Programs, Veteran’s Assistance, Illinois Housing Partnership Program, Loan Participation Program, and Illinois Farm Development Program, to form a new set of amended rules (“Amended Rules”), a copy of which are attached hereto as Exhibit A; and

**WHEREAS**, the Administrative Procedure Act, 5 ILCS 100/1, *et al.*, (the “Procedure Act”) prescribes the process that all of the state’s departments and agencies, including the Authority, must follow when establishing administrative regulations; and

**WHEREAS**, as required by and in compliance with Section 5-40(b) of the Procedure Act, the Authority will provide forty-five days’ notice to the general public of its intent to adopt a final rule, which will contain the time, place and manner in which interested persons may comment, providing all interested persons the opportunity to submit data, views, arguments, or comments; and

**WHEREAS**, as required by Section 5-40(b) of the Procedure Act, the Authority will hold a public hearing on the proposed rulemaking if the requisite number of requests are received for such a hearing or from other parties empowered by law to so request; and

**WHEREAS**, as required by Section 5-40(c) of the Procedure Act, the Authority will provide a second forty-five day notice period to the Joint Committee on Administrative Rules (the “Committee”) after the first notice period ends, allowing the Committee to review the proposed new and updated rules; and

**WHEREAS**, as required by Section 5-40(c) of the Procedure Act, when the second notice period ends, the Authority shall file a certified copy of the rule with the Office of the Secretary of State; and

**WHEREAS**, the Members of the Authority have the power to adopt this Resolution pursuant to the Act; and

**NOW THEREFORE, BE IT RESOLVED**, by the Members of the Illinois Finance Authority as follows:

**Section 1. Recitals.** The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein,.

**Section 2. Approval of Amended Rules.** The Members do hereby confirm, ratify and approve the adoption of the Amended Rules substantially in the form presented at this meeting, with such changes therein as may be approved by the Executive Director as he deems necessary or appropriate.

**Section 3. Authorization of Process to Adopt Rules.** The Members hereby determine that good cause exists to adopt the Amended Rules and authorize the rulemaking for said Amended Rules via the rulemaking process as set forth in the Procedure Act.

**Section 4. Further Actions.** The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this

Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects ratified, confirmed and approved. All prior and future acts and doings of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed. The authority granted in this section includes, without limitation, the authority to make such changes to the Amended Rules as the Executive Director deems necessary or appropriate to carry out the intent of this Resolution and to take the steps the Executive Director deems necessary or appropriate to cause the adoption of the Amended Rules, in accordance with the Procedure Act, in a timely manner so as to carry out the intent of this Resolution.

**Section 5. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

**Section 6. Conflicts.** All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

**Section 7. Effective Date.** This Resolution is effective immediately upon its adoption.

This Resolution 2020-0609-GP08 is adopted this \_\_\_ day of \_\_\_\_\_, 2020, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

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Executive Director

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Assistant Secretary  
(SEAL)



## ILLINOIS REGISTER

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## ILLINOIS FINANCE AUTHORITY

## NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Illinois Finance Authority
- 2) Code Citation: 74 Ill. Adm. Code 1100
- 3) Section Numbers:                      Proposed Actions:

1100.50	Amendment
1100.100	Amendment
1100.105	Amendment
1100.110	Amendment
1100.115	Amendment
1100.120	Amendment
1100.125	Amendment
1100.130	Amendment
1100.135	Amendment
1100.140	Amendment
1100.145	Amendment
1100.150	Amendment
1100.200	Amendment
1100.202	Amendment
1100.204	Amendment
1100.206	Amendment
1100.208	Amendment
1100.210	Amendment
1100.212	Amendment
1100.215	Amendment
1100.220	Amendment
1100.225	Amendment
1100.230	Amendment
1100.235	Amendment
1100.237	New Section
1100.240	Amendment
1100.245	Amendment
1100.250	Amendment
1100.255	Amendment
1100.260	Amendment
1100.265	Amendment
1100.270	Amendment
1100.275	Amendment

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ILLINOIS FINANCE AUTHORITY  
NOTICE OF PROPOSED AMENDMENTS

1100.280	Amendment
1100.285	Amendment
1100.300	Amendment
1100.400	Amendment
1100.405	Amendment
1100.410	Amendment
1100.415	Amendment
1100.420	Amendment
1100.425	Amendment
1100.430	Amendment
1100.435	Amendment
1100.440	Amendment
1100.445	Amendment
1100.450	Amendment
1100.455	Amendment
1100.460	Amendment
1100.465	Amendment
1100.470	Amendment
1100.475	Amendment
1100.480	New Section
1100.500	Amendment
1100.505	Amendment
1100.510	Amendment
1100.515	Amendment
1100.520	Amendment
1100.525	Amendment
1100.530	Amendment
1100.535	Amendment
1100.540	Amendment
1100.545	Amendment
1100.550	Amendment
1100.555	Amendment
1100.560	Amendment
1100.565	Amendment
1100.570	Amendment
1100.575	Amendment
1100.580	New Section
1100.600	Amendment
1100.610	Amendment
1100.620	Amendment
1100.630	Amendment

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ILLINOIS FINANCE AUTHORITY  
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1100.700	Amendment
1100.705	Amendment
1100.710	Amendment
1100.715	Amendment
1100.720	Amendment
1100.725	Amendment
1100.730	Amendment
1100.735	Amendment
1100.740	New Section
1100.800	Amendment
1100.803	Amendment
1100.805	Amendment
1100.810	Amendment
1100.815	Amendment
1100.817	Amendment
1100.820	Amendment
1100.825	Amendment
1100.830	Amendment
1100.900	Amendment
1100.903	Amendment
1100.905	Amendment
1100.910	Amendment
1100.915	Amendment
1100.917	Amendment
1100.920	Amendment
1100.925	Amendment
1100.930	Amendment
1100.1000	Amendment
1100.1005	Amendment
1100.1010	Amendment
1100.1015	Amendment
1100.1017	Amendment
1100.1020	Amendment
1100.1025	Amendment
1100.1030	Amendment
1100.1100	Amendment
1100.1103	Amendment
1100.1105	Amendment
1100.1110	Amendment
1100.1115	Amendment
1100.1117	Amendment

## ILLINOIS FINANCE AUTHORITY

## NOTICE OF PROPOSED AMENDMENTS

1100.1120	Amendment
1100.1125	Amendment
1100.1130	Amendment

- 4) Statutory Authority: Implementing and authorized by the following Sections of the Illinois Finance Authority Act [20 ILCS 3501/801-1 et seq.]: 801-30(e), 801-40(d), (r), (t) and (z), 805-20(e), 820-20(h), 825-12(c), 825-80(e), 825-81(d), 825-85(d), 825-87(d), 825-95(f), 825-100, 825-107(d)(iv), 830-30(d), 830-35(d), 830-45(d), 830-50(f), 830-55(d), 835-20(d), and 840-5(b).
- 5) A Complete Description of the Subjects and Issues Involved: The rulemaking of Part 1100 will be amended as necessary in order to (1) include in Section 1100.50 additional defined terms and revised defined terms that apply in multiple subparts, (2) revise various sections in Subpart A [Illinois Finance Authority] to reflect changes in the Illinois Finance Authority Act [20 ILCS 3501/801-1 et seq.] and changes in the Authority's by-laws, procedures and practices, (3) revise various sections to use appropriate defined terms, (4) amend Subpart B [Financing Programs] to incorporate necessary provisions formerly included in repealed Subpart C [Governmental Unit Assistance Program] and repealed Subpart F [Educational Facilities Program], (5) amend Section 1100.300 to reflect the provisions of the Illinois Finance Authority Act that authorize the Authority to make grants other than grants under the Authority's Illinois Development Action Grant program, (6) amend various sections of Part E [Farm Development Program] to clarify the Authority's power to charge fees, and (7) amend various sections to reflect the amendments made by P. A. 99-509 relating to the sources of funds to make payments under State guarantees.

Substantive changes in the rulemaking of Part 1100 are as follows: (1) revise Subpart B [Financing Programs] to incorporate provisions made necessary as a result of amendments made by P. A. 100-919 to the Illinois Finance Authority Act [20 ILCS 3501/801-1 et seq.] and amendments made to the Property Assessed Clean Energy Act [50 ILCS 50/1 et seq.] made by P. A. 100-980 relating to the Authority's financing program for PACE Projects as defined in Section 801-10(kk) of the Illinois Finance Authority Act, (2) add Section 1100.580 and Section 1100-740 to implement the addition of Section 801-40(z) to the Illinois Finance Authority Act made by P. A. 100-919, (3) amend Section 1100.300 to

ILLINOIS FINANCE AUTHORITY

NOTICE OF PROPOSED AMENDMENTS

implement the addition of Article 835 [Veterans Assistance] to the Illinois Finance Authority Act made by P. A. 99-509, and (4) amend Sections 1100.600 through 1100.630, inclusive, to reflect amendments made by P. A. 100-919 to the Illinois Finance Authority Act authorizing and relating to the Authority’s loan participation program.

The rulemaking also revises terminology to improve consistency.

- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>Illinois Register Citation</u>
1100.305	Repealed	44 Ill. Reg. _____
1100.310	Repealed	44 Ill. Reg. _____
1100.315	Repealed	44 Ill. Reg. _____
1100.320	Repealed	44 Ill. Reg. _____
1100.325	Repealed	44 Ill. Reg. _____
1100.330	Repealed	44 Ill. Reg. _____
1100.335	Repealed	44 Ill. Reg. _____
1100.340	Repealed	44 Ill. Reg. _____
1100.345	Repealed	44 Ill. Reg. _____
1100.640	Repealed	44 Ill. Reg. _____
1100.650	Repealed	44 Ill. Reg. _____
1100.660	Repealed	44 Ill. Reg. _____
1100.670	Repealed	44 Ill. Reg. _____
1100.680	Repealed	44 Ill. Reg. _____
1100.690	Repealed	44 Ill. Reg. _____

- 11) Statement of Statewide Policy Objective: This rulemaking does not create or enlarge any State mandate.

## ILLINOIS FINANCE AUTHORITY

## NOTICE OF PROPOSED AMENDMENTS

- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may submit written comments on this proposed rulemaking within 45 days after the date of publication of this Notice to:

Elizabeth Weber  
General Counsel  
Illinois Finance Authority  
160 North LaSalle Street  
Suite S-1000  
Chicago, Illinois 60601  
(312) 651-1339  
eweber@il-fa.com

- 13) Initial Regulatory Flexibility Analysis:
- A) Type of small businesses, small municipalities and not-for-profit corporations affected: Small units of local government, including without limitation those that provide fire protection, ambulance service and similar public safety programs; healthcare, educational, cultural and other not for profit organizations; farmers and agribusiness; for profit industrial, manufacturing and commercial enterprises; qualified veteran-owned small businesses; and other entities that are authorized to borrow money or receive grants under the Authority's financing programs.
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized:  
[Explanation of why this rulemaking was not on an Authority regulatory agenda]

The full text of the Proposed Amendments begins on the next page:

ILLINOIS FINANCE AUTHORITY  
NOTICE OF PROPOSED AMENDMENTS

TITLE 74: PUBLIC FINANCE

PART 1100  
ILLINOIS FINANCE AUTHORITY

SUBPART A: ILLINOIS FINANCE AUTHORITY

Section

1100.50	Definitions
1100.100	Composition, Appointment and Terms of Office
1100.105	Board <del>Chairman</del> <u>Chairperson; Other Officers</u>
1100.110	Executive Director
1100.115	Meetings
1100.120	Records and Reports
1100.125	Public Participation
1100.130	Rulemaking Procedures
1100.135	Purchasing Rules and Regulations
1100.140	Seal
1100.145	Principal Office
1100.150	Revision
1100.155	Construction; Waiver; Severability

SUBPART B: FINANCING PROGRAMS

Section

1100.200	<del>Definitions</del> <u>Summary and Purpose</u>
1100.202	<u>Summary and Purpose</u> <del>Definitions</del>
1100.204	Application Forms
1100.206	<del>[Reserved]</del> <u>Notice to Municipalities</u>
1100.208	Changes in Information and Additional Information
1100.210	Meetings of the Authority
1100.212	Eligible Projects
1100.215	Scheduling of Project Consideration
1100.220	Staff Review
1100.225	Authority Action
1100.230	General Criteria for Approval
1100.235	Additional Criteria for <del>Commercial</del> <u>Certain</u> Projects
<u>1100.237</u>	<u>Additional Criteria for Projects for Units of Local Government</u>
1100.240	Submission of Documents
1100.245	Public Hearing Procedures and Responsibilities

ILLINOIS FINANCE AUTHORITY  
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1100.250	Final Public Approval
1100.255	Requests for Allocation <a href="#">of Volume Cap</a>
1100.260	Amendatory Resolutions
1100.265	Bond Counsel on Pooled <a href="#">Bond Issues Financings</a>
1100.270	Program Requirements <a href="#">for Pooled Financings</a> ; Standardized Documents
1100.275	Transcripts
1100.280	Authority Fees
1100.285	Noncompliance and Waiver

SUBPART C: [VETERAN'S GOVERNMENTAL UNIT ASSISTANCE PROGRAM](#)

Section

1100.300	<a href="#">Rules and Guidelines Applicable to the State Guarantee Program for Qualified Veteran-Owned Small Businesses</a> <del>Purposes and Objectives; Compliance with Federal Law; Forms for Program</del>
<del>1100.305</del>	<del>Applicant Eligibility</del>
<del>1100.310</del>	<del>Pre-Filing Stage</del>
<del>1100.315</del>	<del>Filing of Application</del>
<del>1100.320</del>	<del>Approval of Application</del>
<del>1100.325</del>	<del>Denial of Application</del>
<del>1100.330</del>	<del>Priority of Application</del>
<del>1100.335</del>	<del>Source of Payment and Nature of Obligation</del>
<del>1100.340</del>	<del>Fees</del>
<del>1100.345</del>	<del>Purchase of Governmental Unit Bonds</del>

SUBPART D: ILLINOIS DEVELOPMENT ACTION GRANT PROGRAM

Section

1100.400	Purpose; Definitions; Incorporation by Reference
1100.405	Eligible Applicants; Eligible Projects
1100.410	Municipal Approval
1100.415	Application Requirements
1100.420	Technical Assistance
1100.425	On-Site Inspection
1100.430	Selection Criteria
1100.435	Deadlines
1100.440	Funding Restrictions and Eligible Costs
1100.445	Grant Agreement
1100.450	Disbursement of Grants
1100.455	Recordkeeping and Access to Information
1100.460	Progress Reports



ILLINOIS FINANCE AUTHORITY  
NOTICE OF PROPOSED AMENDMENTS

- 1100.465 Audit Requirements  
1100.470 Grant Monitoring and Recovery  
1100.475 Project Completion Notice

SUBPART E: ILLINOIS HOUSING PARTNERSHIP PROGRAM

Section

- 1100.500 Purpose; Definitions; Incorporation by Reference  
1100.505 Eligible Applicants; Eligible Projects  
1100.510 Municipal Approval  
1100.515 Application Requirements  
1100.520 On-Site Inspection  
1100.525 Selection Criteria  
1100.530 Deadlines  
1100.535 Funding Restrictions and Eligible Costs  
1100.540 Loan Agreement  
1100.545 Disbursement and Repayment of Loans  
1100.550 Loan Terms  
1100.555 Recordkeeping and Access to Information  
1100.560 Progress Reports  
1100.565 Audit Requirements  
1100.570 Loan Monitoring and Recovery  
1100.575 Project Completion Notice  
1100.580 Loans to Certain Pension Funds

SUBPART F: LOAN PARTICIPATION~~EDUCATIONAL FACILITIES~~ PROGRAM

Section

- 1100.600 Definitions~~Introduction~~  
1100.610 Loan Participation Program~~Who May Apply for Financing~~  
1100.620 Policies and Procedures~~Types of Educational and Cultural Facilities that Can Be Financed~~  
1100.630 Approval of Purchase of Loan Participations~~Types of Costs That Can Be Financed: Outstanding Debt~~  
~~1100.640 Application Guidelines~~  
~~1100.650 Interest Rate on the Authority's Bonds~~  
~~1100.660 Method of Financing~~  
~~1100.670 Length of Bond Issue~~  
~~1100.680 Type of Bond Issue~~  
~~1100.690 Fees~~

ILLINOIS FINANCE AUTHORITY  
NOTICE OF PROPOSED AMENDMENTS

SUBPART G: ILLINOIS FARM DEVELOPMENT PROGRAM

Section

- 1100.700 Definitions
- 1100.705 Rules and Guidelines Applicable to Bond Programs under this Subpart
- 1100.710 Bond Programs and Rules Applicable to Each
- 1100.715 Rules and Guidelines Applicable to the Interest Buy Down Program
- 1100.720 Rules and Guidelines Applicable to the Young Farmer Guarantee Program
- 1100.725 Rules and Guidelines Applicable to the State Guarantee Program for Restructuring Agricultural Debt
- 1100.730 Rules and Guidelines Applicable to the Specialized Livestock Guarantee Program
- 1100.735 Rules and Guidelines Applicable to the State Guarantee Program for Agri-Industries
- [1100.740 Loans to Certain Pension Funds](#)

SUBPART H: FIRE TRUCK REVOLVING LOAN PROGRAM

Section

- 1100.800 Definitions
- 1100.803 Severability
- 1100.805 Purpose
- 1100.810 Eligible Expenditures
- 1100.815 Loan Application Review
- 1100.817 Funding Criteria and Credit Review Process
- 1100.820 Loan Documents and Servicing
- 1100.825 Repayment Procedures
- 1100.830 Terms and Conditions of Loan Agreement

SUBPART I: AMBULANCE REVOLVING LOAN PROGRAM

Section

- 1100.900 Definitions
- 1100.903 Severability
- 1100.905 Purpose
- 1100.910 Eligible Expenditures
- 1100.915 Loan Application Review
- 1100.917 Funding Criteria and Credit Review Process
- 1100.920 Loan Documents and Servicing
- 1100.925 Repayment Procedures
- 1100.930 Terms and Conditions of Loan Agreement

ILLINOIS FINANCE AUTHORITY  
NOTICE OF PROPOSED AMENDMENTS

SUBPART J: FIRE SPRINKLER DORMITORY REVOLVING LOAN PROGRAM

Section

1100.1000	Definitions
1100.1005	Purpose
1100.1010	Eligible Expenditures
1100.1015	Loan Application Review
1100.1017	Funding Criteria and Credit Review Process
1100.1020	Loan Documents and Servicing
1100.1025	Repayment Procedures
1100.1030	Terms and Conditions of Loan Agreement

SUBPART K: FIRE STATION REVOLVING LOAN PROGRAM

Section

1100.1100	Definitions
1100.1103	Severability
1100.1105	Purpose
1100.1110	Eligible Expenditures
1100.1115	Loan Application Review
1100.1117	Funding Criteria and Credit Review Process
1100.1120	Loan Documents and Servicing
1100.1125	Repayment Procedures
1100.1130	Terms and Conditions of Loan Agreement

**AUTHORITY:** Implementing and authorized by the following Sections of the Illinois Finance Authority Act [20 ILCS 3501/801-1 et seq.]: 801-30(e), 801-40(d), (r), (t) and (z), 805-20(e), 820-20(h), 825-12(c), 825-80(e), 825-81(d), 825-85(d), 825-87(d), 825-95(f), 825-100, 825-107(d)(iv), 830-30(d), 830-35(d), 830-45(d), 830-50(f), 830-55(d), 835-20(d), and 840-5(b).

**SOURCE:** Recodified from the Illinois Farm Development Authority (8 Ill. Adm. Code 1400), the Illinois Development Finance Authority (14 Ill. Adm. Code 1200, 1210, 1220), the Illinois Educational Facilities Authority (23 Ill. Adm. Code 2310, 2320), and the Illinois Rural Bond Bank (47 Ill. Adm. 400, 410, 420) to the Illinois Finance Authority at 31 Ill. Reg. 12104; amended at 34 Ill. Reg. 497, effective December 23, 2009; amended at 34 Ill. Reg. 3272, effective February 23, 2010; amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_. 201\_\_.

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## SUBPART A: ILLINOIS FINANCE AUTHORITY

**Section 1100.50. Definitions**

The following definitions shall apply in this Part:

"Act" means the Illinois Finance Authority Act [20 ILCS 3501], as amended and supplemented.

~~"Application" means a potential borrower application to issue bonds through the Authority pursuant to this Part.~~

"Application" means an application filed by or on behalf of a potential Borrower seeking financing (a) from the issuance of Bonds by the Authority or (b) under any other financing program under the Act. If required to be filed by the Authority in its discretion, each Application shall be in the form provided by the Authority. Application forms may vary in content depending on the financing program involved. Application forms may be amended from time to time.

"Application Fee" means the fee required to be paid to the Authority by ~~the a~~ potential ~~borrower~~ Borrower at the time ~~the application is filed~~ provided in this Part 1100.

"Authority" ~~or "IFA"~~ means the Illinois Finance Authority created by Section 801-15 of the Act.

"Board" means the ~~members~~ Members of the Authority, gathered in a meeting to transact Authority business.

"Bond Counsel" means an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to ~~the tax-exempt nature of interest on, and the validity of, (a) the validity of~~ bonds issued by states and their political subdivisions, and, if applicable, (b) the tax-exempt nature of interest on such bonds, duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia and acceptable to the Authority. The Authority generally relies on a list of bond ~~counseles~~ published quarterly by the Bond Buyer in the "Directory of Municipal Bond Dealers". ~~The bond counsel or firm must have rendered a sole legal opinion in connection with the sale of State or municipal bonds (short term issues excluded) within the two year period preceding submission of the borrower's application to the Authority. The legal opinion rendered may have been on either publicly offered or privately placed bond issues. Attorneys acting only as counsel to an underwriter or placement agent do not qualify~~ counsel published periodically as part of The Bond

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Buyer's Municipal Marketplace® In its discretion, the Authority may choose to rely from time to time on other similar directories or publications.

"Bondholder" or "Holder" or "Noteholder" or any similar term when used with reference to a bond or note of the Authority means any person who is the bearer of any outstanding bond or note of the Authority registered to bearer or not registered, or the registered owner of any outstanding bond of the Authority which at the time is registered other than to bearer.

"Bonds" means ~~and shall include~~ bonds, notes (including notes anticipating the issuance of bonds or the receipt of grants or revenues), certificates, ~~bond grant or revenue anticipation notes~~ or any other evidence of indebtedness representing an obligation to pay money. (Section 801-10 of the Act)

~~"Borrower" means any governmental unit which submits an application and is accepted to issue bonds through the Authority.~~

~~"Chairman" means the Chairman of the Authority Board.~~

"Borrower" means any individual, corporation (for profit or not for profit), limited liability company, joint venture, business trust, estate, trust, partnership (limited or general), association, two or more persons having a joint or common interest, or any other Person or legal entity authorized under the Act to obtain financing from the Authority under any financing program under the Act. The term "Borrower" also means any Unit of Local Government authorized under the Act to obtain financing from the Authority under any financing program under the Act, including without limitation through the purchase by the Authority of Local Government Securities or the acceptance by the Authority of an assignment of an Assessment Contract as defined in Section 1100.200.

"Chairperson" means the Chairperson of the Board selected as provided in Section 801-15.

"Final Resolution" means a resolution adopted by the Authority approving the final terms of a financing by the Authority.

"Fiscal Year" means the fiscal year of the Authority, beginning on July 1 and ending on June 30.

"Fully Marketable Form" means a ~~local governmental security~~ Local Governmental Security duly executed and accompanied by an approving legal opinion of ~~bond counsel. The local governmental security~~ Bond Counsel. The

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Local Governmental Security so executed need not be printed or lithographed, nor be in more than one denomination.

~~“Governmental Unit” means a unit of local government as defined in Section 820-10(b) of the Act.~~

“Inducement Resolution” or “Loan Commitment Resolution” means a resolution adopted by the Authority with respect to a proposed Project indicating the Authority’s willingness to provide financing for the Project from proceeds of Bonds, program capital, or other available sources of funds, subject to the conditions specified in the resolution.

“Local Governmental Security” means a ~~bond or note or evidence of debt~~ Bond issued by a ~~governmental unit~~ Unit of Local Government and payable from taxes or from rates, charges or assessments.

~~“Notes” means any notes of the Authority issued under the Act.~~

“Person” means, unless limited to a natural ~~person~~ persons by the context in which it is used, ~~a person~~ an individual, corporation, ~~association~~ limited liability company, Unit of Government, business trust, estate, trust, partnership or ~~cooperative~~ association, two or more persons having a joint or common interest, or any other legal entity.

“Project” means as provided in Section 801-10 of the Act.

"Reserve Fund" means the Reserve Fund established as provided in Section 820-15 of the Act.

"Revenues" means all fees, charges, moneys, profits, payments of principal or interest on local governmental securities and other investments, gifts, grants, contributions, appropriations and all other income derived or to be derived by the Authority under the Act.

“Tax Code” means the Internal Revenue Code of 1986, as amended, codified in Title 26, United States Code, or any successor statute, and all applicable federal income tax regulations promulgated under the Internal Revenue Code.

“Unit of Government” means the federal government, the State of Illinois, a Unit of Local Government, a school district, or any agency or instrumentality, office, officer, department, division, bureau, commission, college or university of any of them.

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“Unit of Local Government” means any “unit of local government,” as defined in Article VII, Section 1 of the 1970 Illinois Constitution and any local public entity as that term is defined by the Local Governmental and Governmental Employees Tort Immunity Act [745 ILCS 10/1-101 et seq.] and also includes the State of Illinois and any instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

“Volume Cap” means the aggregate principal amount of certain categories of private activity bonds which can be issued in any given calendar year by the State and its political subdivisions (including the Authority)-, as adjusted, as obligations the interest on which is exempt from federal income taxation. Volume cap is determined under Section 147 of the Tax Code, or its successor section in any subsequent United States Internal Revenue Code; and by the Private Activity Bond Allocation Act [30 ILCS 345].

(Source: Recodified from 8 Ill. Adm. Code 1400.10, 14 Ill. Adm. Code 1220.110 and 47 Ill. Adm. Code 400.102 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.100. Composition, Appointment and Terms of Office**

- a) The Board of the Authority shall be composed of ~~15~~ members as specified in Section 801-15 of the Act.
- b) Members shall be appointed and confirmed in the manner provided in Section 801-15 of the Act, ~~and~~ for such terms as provided in Section 801-15 of the Act and shall serve until their successors are appointed and have qualified.
- c) The Board may declare a vacancy for a member when it ~~shall determine~~ determines that a member has resigned, no longer resides within the State of Illinois, or has become incapacitated and rendered incapable of serving or performing duties as a member.
- d) Persons who have been appointed as members during a recess of the Illinois Senate but not yet confirmed by the Senate shall act as interim members (unless and until such appointment is rejected by the Illinois Senate) and shall receive notice of all meetings of the Board, may attend any meeting of the Board and of any committee of the Board, shall count in determining the presence or absence of a quorum at such meetings, and may vote as interim members, if there has been filed with the Secretary of the Board the following: (i) the appointment letter of the Governor to the Secretary of the Illinois Senate and the Illinois Secretary of State relating to the appointment of such person, (ii) the constitutional oath of office duly subscribed to by such person, (iii) any bond required by the Illinois

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Department of Central Management Services or otherwise required by Illinois law, and (iv) evidence that item (i) has been filed with the Secretary of the Illinois Senate and that items (ii) and (iii) have been filed with the Illinois Secretary of State.

(Source: Recodified from 8 Ill. Adm. Code 1400.20 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.105. Board ~~Chairman~~Chairperson; Other Officers**

- a) Pursuant to Section 801-15 of the Act, the Governor shall appoint a ~~Chairman~~Chairperson of the Board for a 2 year term.
- b) The ~~Chairman~~Chairperson or Vice Chairperson, if any, shall preside at all meetings of the Authority and perform such other duties as are set forth in this Part.
- c) The ~~Board Chairman~~Chairperson may establish such standing, ad hoc or other special committees as he or she deems necessary. The composition, ~~Chairmen~~leadership, and duties of such committees shall be as may be specified by the ~~Board Chairman~~Chairperson.
- d) At the discretion of the Authority, the Authority may elect one or more Vice Chairpersons from among its members for a term expiring on the date of the next annual meeting following such election and, if so elected, he or she shall preside at meetings of the Authority and perform all duties incumbent upon the Chairperson during the absence or disability of the Chairperson.
- e) At times when the Chairperson and any Vice Chairpersons are absent or disabled, the members may in their discretion elect an Acting Chairperson from among the members to serve as such for the duration of a particular meeting or for a term specified by the Board expiring not later than the date of the next annual meeting following such election. If so elected, the Acting Chairperson shall, during the term for which she or he was so elected, preside at meetings of the Authority and perform all duties incumbent upon the Chairperson during the absence or disability of the Chairperson and any Vice Chairpersons.
- f) In addition to the Secretary appointed pursuant to Section 845-40 of the Act, the members in their discretion may appoint one or more Assistant Secretaries to (i) assist the Secretary in the performance of her or his duties and (ii) perform the duties of the Secretary when the Secretary is absent or disabled.



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(Source: Recodified from 8 Ill. Adm. Code 1400.30 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.110. Executive Director**

- a) Employment of Executive Director. The Executive Director shall be employed by the Authority in accordance with the provisions of Section 801-15 of the Act.
- b) Qualifications. The Executive Director shall be a person who, by reason of education and experience, ~~shall have~~ has demonstrated professional ability and knowledge in public administration, supervision of staff, policy formulation, agriculture and finance.
- c) Chief Operating Officer. The Executive Director shall be the chief ~~operating administrative and operational~~ officer of the Authority and shall direct and supervise its administrative affairs and general management, and shall be responsible to the Board for the execution of its policies and procedures.
- d) Duties
  - 1) The Executive Director shall develop the duties of the staff, direct its activities from its principal office and perform such other duties and functions as may be required by the Authority and as are expressed in the operating rules and procedures adopted and as amended from time to time by the Authority.
  - 2) The Executive Director shall also have chief responsibility for primary external liaison to all other units or branches of government and businesses in Illinois, particularly as such activity relates directly to the implementation of the Act and the policies of the Authority.
  - 3) The Executive Director is responsible for all administrative matters within the Authority: personnel, budgeting and fiscal planning, financial statements, purchasing, fee collection, annual financial reports, annual goals and objectives statements, and compliance with all State government operational requirements.
  - 4) In particular, the Executive Director shall, on behalf of the Authority, have responsibility and commensurate authority to perform duties, including but not limited to, the following:

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- A) provide staff and administrative services, either directly or through the use of outside contractors, for the Authority; provided, however, that the Board must approve all contracts and the appointment of candidates for all staff positions. Responsibility for dismissal of Authority staff is that of the Executive Director;
- B) prepare annual operating budgets for Board approval;
- C) report periodically to the Board, both at and between meetings, on all aspects of the operation of the Authority, including the following:
  - i) Key matters relating to relations with outside consulting firms and the status of legislative and State agency relations;
  - ii) Updating Board members on progress toward its major objectives and staff progress/evaluation;
  - iii) Providing regular briefings of Board members on agenda items prior to scheduled public meetings.
- D) recommend to the Board those policy and procedural options necessary to implement the provisions of the Act;
- E) plan, with the ~~Chairman~~Chairperson, all meetings of the Authority;
- F) plan, with the Chairperson, all meetings of the Authority;
- G) maintain all records, files and reports required by the Authority;
- ~~H) prepare and, as needed, revise and amend, with approval of the Board, such forms as necessary for administration of Authority programs. The number and type of forms shall be sufficient to safeguard the interests of the Authority;~~
- H) represent the Authority whenever necessary; and
- J) perform other duties and exercise other authorities as directed by the Board.

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- e) Delegation. In order to carry out the duties and functions vested in him or her under the Act and the Rules of the Authority, the Executive Director may delegate to and vest in the staff of the Authority the authority to perform such duties and functions as he or she may deem necessary or appropriate.

(Source: Recodified from 8 Ill. Adm. Code 1400.50, 60, 70 and 80 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.115. Meetings**

- a) Open Meetings Act. It is the public policy of the Authority that it exists to aid in the conduct of the business of the people of the State. It is the Authority's intent that its actions shall be taken and its deliberations be conducted openly. The Authority shall give public notice of and conduct all its meetings in conformity with the provisions of the Open Meetings Act [5 ILCS 120].
- b) Closed Sessions. The Authority may hold closed sessions only for the purposes permitted by the Open Meetings Act, ~~including sessions where:~~
- 1) ~~the Board is negotiating matters with its employees or representatives;~~
  - 2) ~~the Board is considering the acquisition of real property or a court proceeding against or on behalf of the Authority, but no other portion of such meetings may be closed to the public;~~
  - 3) ~~the Board is considering information regarding appointment, employment or dismissal or an employee or officer or hearing testimony on a complaint lodged against an employee or officer to determine its validity, but no final action shall be taken at closed session;~~
  - 4) ~~where federal regulation requires closed sessions;~~
  - 5) ~~an advisory committee appointed to provide the Board with professional consultation on matters germane to its field of competence considers matters of professional ethics or performance;~~
  - 6) ~~the Board meets to establish reserves or to settle claims as provided in the Local Governmental and Governmental Employees Tort Immunity Act [745 ILCS 10] if otherwise the disposition of a claim or potential claim might be prejudiced.~~

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- c) Notice to Members. Notice of the time and place of every special meeting of the Board shall be given to each member at least 24-48 hours before such meeting.
- d) Meeting Schedule. At the beginning of each fiscal year, the Authority shall prepare, make available and give public notice of a schedule of all regular meetings for such fiscal year, listing the regular dates, times and places of such meetings.
- e) Public Notice. Public notice of any special ~~meetings, or meeting, or, except as provided below,~~ of any rescheduled or reconvened regular or special meeting, shall be given at least 24-48 hours before such meeting. Public notice of reconvened meetings need not be given where the meeting is to be reconvened within 24 hours nor where announcement of the time and place of the reconvened meeting was made at the original meeting and there is no change in the agenda.
- e) ~~Public Notice.~~ Public notice shall be given by posting a copy of the notice at the principal office of the Authority. If required by law, or otherwise in the discretion of the Executive Director, public notice will also be given on the Authority's web site at [www.il-fa.com](http://www.il-fa.com). The Authority shall supply copies of the notice of its regular meetings, and give notice of any special, reconvened or rescheduled meeting, to any local newspaper of general circulation or any local radio or television station that has filed an annual request for such notice. Any such news media shall also be given the same notice of all special, rescheduled or reconvened meetings in the same manner such notice is given to members of the Board. If a change is made in the schedule of regular meeting dates, at least 10 days' notice of such change shall be given by publication in a local newspaper of general circulation. Notice of such change shall also be posted at the principal office of the Authority, ~~and~~ shall be given to those news media which have filed an annual request for notice as set forth in this section and, if required by law, or otherwise in the discretion of the Executive Director, will also be given on the Authority's web site.
- f) Agenda. The Executive Director shall provide the agenda for each meeting to all members at least 24 hours before such meeting. Such agenda shall include all matters to be considered at the meeting, except that any matter may be placed on the agenda with less notice with the unanimous consent of all voting members present at the meeting in person or, if permitted by law (including any applicable executive order thereunder), by video or audio conference.
- g) Recording of Meetings. Meetings, required to be open under the Open Meetings Act, may be recorded by tape, film, or other means by any representative of any

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news medium as defined in the Code of Civil Procedure [735 ILCS 5/8-701]. Installation of recording equipment must be done at such time and in such manner so as not to delay or obstruct the meeting. Recording equipment must be operated in such manner so as not to interfere with the overall decorum and proceeding of the meeting. If any witness refuses to testify at such meeting on the grounds that he or she may not be compelled under applicable law to testify if any portion of his or her testimony is to be broadcast or televised or if motion pictures are to be taken of him or her while he or she is testifying, no recording may be made during such witness' testimony. Each witness shall be informed of this right prior to his or her testimony and shall be asked whether he or she intends to exercise this right.

- h) Quorum. ~~Four~~ Eight members of the Board present at the meeting in person or, if permitted by law (including any applicable executive order thereunder), by video or audio conference, shall constitute a quorum for meetings of the Board. The affirmative vote of ~~four~~ eight of the members of the Board present at the meeting in person or, if permitted by law (including any applicable executive order thereunder), by video or audio conference, shall be necessary for any action requiring a vote ~~to be taken by of~~ the Board. A vacancy in the membership of the Board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the Board as provided for in the Act.
- i) Reimbursement of Board Members and Staff
- 1) Members of the Board and approved staff, upon condition of making application, shall be reimbursed for travel and subsistence expenses incurred in the performance of their duties as provided by law or by this Part. Such reimbursement ~~shall~~ must be in accordance with the official travel regulations approved by the Governor's Travel Control Board, as they may be amended, supplemented or modified by the Board.
  - 2) All claims for reimbursement of travel and subsistence expenses ~~shall~~ must be submitted on ~~State of Illinois Travel Vouchers (Form C-10)~~ Authority travel expense report forms. Submissions of Travel Vouchers may be made subsequent to each meeting of the Board or may be held for submission at the conclusion of each month. The Authority's controller or chief financial officer (if any) or any other person designated by the Executive Director shall be the recipient of such vouchers for administrative processing and approval.

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- 3) For the purpose of travel expense reimbursement, expenses incurred by the Authority members participating singly, or as a unit of the whole, or as a total Authority, shall be considered to be official business of the State and of the Authority when such expenses are incurred in the following activities:
- A) Regular and special Authority meetings called by the ~~Chairman~~ Chairperson through the Executive Director.
  - B) Participation in investigations, hearings, judicial proceedings, or the like, in connection with any matter properly before the Authority.
  - C) Participation in standing, ad hoc or other special committees prescribed by the ~~Chairman~~ Chairperson of the Board.
  - D) Attendance, as a representative of the Authority, at meetings conducted by agencies of the State and federal governments, and by national, State and local organizations, concerning loan programs of a similar nature except ~~the that~~ attendance at meetings held outside the State ~~shall~~ must have the prior approval of the ~~Chairman and of the~~ Executive Director.
- j) Rules of Order. Meetings of the Board, and actions considered, shall be according to generally-accepted principles of parliamentary procedure. In the event of question, Robert's Rules of Order shall govern.

(Source: Recodified from 8 Ill. Adm. Code 1400.50, 60, 70 and 80 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.120. Records and Reports**

The Authority shall maintain files available to the public containing all information declared public in the Act, the regulations issued under the Act, the Freedom of Information Act [5 ILCS 140], and in the Open Meetings Act [5 ILCS 120]. All such files shall be open to reasonable public inspection and copying at the principal office of the Authority.

(Source: Recodified from 8 Ill. Adm. Code 1400.90 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.125. Public Participation**

~~a) Public Participation at Open Meetings. Members of the public who wish to present their views at a Board meeting shall contact the Executive Director in writing. Requests shall outline the subject to be addressed at the meeting. A presentation shall be placed on the agenda of a Board meeting if the request is received by the Executive Director at least one week prior to that meeting. Requests received by the Executive Director less than one week prior to a Board meeting shall be deferred to the following meeting. At the Board meeting, ten minutes shall generally be scheduled for each presentation. At the discretion of the Board, more time may be allowed. Additional time will be allowed if the complexity of the background data so requires, or if the proposed use of the proceeds of an Authority loan must be closely scrutinized to determine that it meets the programmatic guidelines that have been set out in the applicable rules and regulations. The Executive Director, or a designee, shall notify the requesting party of the exact time and place for the presentation before the Board. This notification shall be by phone call, and followed up by a confirming letter. On the date of the Board presentation, each person scheduled to make a presentation, or each member of a delegation, shall sign a registration sheet located at the reception desk.~~

a) Public Participation. Members of the public wishing to comment orally are invited to do so at any meeting covered under the provisions of the Illinois Open Meetings Act or any public hearing held as required by Section 147(f) of the Tax Code. Visit [www.il-if.com](http://www.il-if.com) for an up-to-date schedule of times and locations. The following guidelines are established to help ensure an open and fair process:

1) Time allotment: Individual speakers are invited to speak for no longer than three minutes. The Authority will make reasonable efforts to accommodate all who are interested in speaking. In order to accommodate those individuals wishing to speak when more people have signed up to address the meeting or public hearing than can be heard, the Chairperson, Executive Director or his or her designee may adjust these procedures at his or her discretion.

2) Sign up: The Authority will provide a sign-up sheet for all speakers, which will request name, contact information and the topic to be addressed. The sign-up sheet will be made available at the meeting or public hearing location a reasonable amount of time before the public comment period. . In the case of a meeting held solely via video or audio conference, the sign-up sheet will be available on the Authority's web site

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at [www.il-fa.com](http://www.il-fa.com).

- 3) Pooling time: Two or more speakers may pool their time and select a group representative to speak for no longer than five minutes. Those individuals intending to yield their time must be present at the meeting or public hearing, or participating via video or audio conference, when their names are called to confirm their willingness to do so. Individuals who speak for less than their allotted time may not yield their remaining time to another speaker.
  - 4) Written materials: When speakers bring copies of written comments and materials to a Board meeting or Authority committee meeting, Authority staff will distribute those copies to all Board members or Committee members in attendance in person; if ample copies are not provided, distribution will be made as soon as may be practically accomplished. In the case of public hearings held as required by Section 147(f) of the Tax Code, copies of written comments and materials need only be provided to the Executive Director or his or her designee.
  - 5) Recordkeeping: A list of everyone providing public comments in connection with any meeting covered under the provisions of the Open Meetings Act or any public hearing held as required by Section 147(f) of the Tax Code will have their public comments kept on file with the Authority and made part of the proceeding's minutes or transcript, respectively. To review public comments, if any, individuals should contact the Assistant Secretary of the Board. Approved minutes of each Board meeting and committee meeting will be posted at [www.il-fa.com](http://www.il-fa.com).
- b) Petition to Promulgate, Amend, or Repeal a Rule
- 1) An interested ~~person or legal entity~~ Person may petition the Authority requesting promulgation, amendment or repeal of a rule. The petition ~~shall~~ must be in writing, signed by or on the behalf of the petitioner and shall contain a statement of:
    - A) The rule sought to be promulgated, amended or repealed. A rule proposed to be amended shall be stated in full with proposed deletion enclosed in brackets, and proposed additions underlined.
    - B) Factual rationale for the proposed action.
    - C) Any propositions of law to be asserted.



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- D) Factual account of impact on petitioner, of proposed action.
  - E) Name and address of petitioner and any other ~~person or entity~~ Person known to be interested in the rule sought to be adopted, amended, or repealed.
- 2) The petition should be typed or printed, and captioned BEFORE THE ILLINOIS FINANCE AUTHORITY, and shall be deemed filed when received by the Executive Director. Upon receipt of the petition, the Executive Director shall:
- A) Within ten days, mail a copy of the petition to any parties named therein. The petition shall be deemed served on the date of mailing to the last known address of the party being served.
  - B) Submit the petition to the Board at the next regularly scheduled meeting, with recommended action.
- 3) Within sixty days of the date on which the petition was submitted to the Board by the Executive Director, the Board shall either deny the petition or initiate rulemaking procedures pursuant to Section 1100.130 of this Part. If the petition is denied, the Board shall issue an order setting forth the reasons in detail for denial of the petition. The order shall be mailed to the petitioner and all other persons upon whom a copy of the petition was served.
- c) Declaratory Rulings. The Board shall provide declaratory rulings as to applicability of any statutory provision, rule or other written statement of law or policy, decision or order when petitioned to do so by the public where, in the judgment of the Board, it is necessary or helpful for them to conduct their affairs in accordance with the law. Requests for declaratory rulings shall be made to the Executive Director in writing. Within thirty to sixty days after submission of a request for declaratory ruling, the Board shall issue a ruling on the rule, statute or policy in question. Such ruling shall be in writing, shall be filed in the public records of the Authority, and shall be maintained in the Authority's office for public inspection and copying. The Board may decline to rule when, in the judgment of the Board, the ruling would be beyond the statutory jurisdiction of the Board, when no clear answer is determinable, or when the issue presented is pending resolution by a court of Illinois or by the attorney general.

(Source: Amended at 8 Ill. Reg. 8489, effective May 31, 1984; recodified from 8 Ill. Adm. Code 1400.100 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.130. Rulemaking Procedures**

The Authority has authority to adopt and promulgate rules pursuant to the Illinois Finance Authority Act [20 ILCS 3501] and the Illinois Administrative Procedure Act [5 ILCS 100]. The In adopting, amending and repealing rules, the Authority shall follow the following procedure in the adoption of rules: all applicable requirements of Illinois law including, without limitation, applicable requirements of the Act and of the Illinois Administrative Procedure Act.

- a) ~~The Authority may at any time and in any manner direct the Executive Director to recommend a proposed rule to the Board for its review. Such directive may specify the policy to be implemented by such proposed rule or may allow the Executive Director to recommend a policy to be implemented by such proposed rule.~~
- b) ~~At the meeting specified by the Board or the Chairman, the Executive Director shall submit the recommended proposed rule to the Board. Upon consideration of such submission, the Board may, upon a vote in accordance with this Part, either direct the Executive Director to revise such recommended proposed rule or approve the proposed rule as submitted or as modified by the Authority.~~
  - 1) ~~Upon such approval of a rule as a proposed rule, the Authority shall:~~
    - A) ~~give at least 45 days' notice to the general public of its intent to adopt a final rule. This period (hereinafter the "First Notice Period") shall commence on the first day the notice appears in the Illinois Register. The notice shall be in the form prescribed by the Secretary of State and shall be submitted for publication in the Illinois Register in accordance with the rules promulgated by the Secretary of State. The notice shall include a text of the proposed rule, or the old and new materials of a proposed amendment, or the text of the provision to be repealed; the specific statutory citation upon which the proposed rule or proposed amendment or proposed repealer is based and is authorized; a complete description of the subjects and issues involved; and the time, place and manner in which interested persons may present their views and comments concerning the intended action (see 5 ILCS 100/ 5-40(b)).~~
    - B) ~~afford all interested persons reasonable opportunity to submit data, views, arguments or comments, which may, in the discretion of the Authority, be submitted either orally or in writing or both. The~~

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~~notice published in the Illinois Register shall indicate the manner selected by the Authority for such submissions. The Authority shall consider fully all submissions respecting the proposed rule (see 5 ILCS 100/5-40(b)).~~

- ~~2) The Executive Director may, within five days of the commencement of the First Notice Period, request in writing that the Joint Committee on Administrative Rules conduct a preliminary review of the proposed rulemaking. The Executive Director shall thereafter cooperate with the Joint Committee on Administrative Rules in its review of the proposed rulemaking during the First Notice Period. (See 1 Ill. Adm. Code 220, Review of Proposed Rulemaking, and the Illinois Administrative Procedure Act [5 ILCS 100].)~~
- ~~3) Upon fulfilling the requirements specified in Section 1100.130(b)(1), the Authority may modify the proposed rule in light of the submitted comments.~~
- ~~4) The Authority shall, after taking the action prescribed in Section 1100.130(b)(3), provide up to 45 days additional notice (hereinafter the "Second Notice Period") of its intended action to the Joint Committee on Administrative Rules. The Second Notice Period shall commence on the day written notice is received by the Joint Committee on Administrative Rules, and shall expire 45 days thereafter unless prior to that time the Authority shall have received a statement of objection from the Joint Committee on Administrative Rules or notification from the Joint Committee on Administrative Rules that no objection will be issued. The written notice to the Joint Committee on Administrative Rules shall include the text and location of any changes made to the proposed rule during the First Notice Period, and, if written request has been made by the Joint Committee on Administrative Rules within 30 days after initial notice appears in the Illinois Register, shall include an analysis of the economic and budgetary effects of the proposed rule. The Executive Director shall thereafter cooperate with the Joint Committee on Administrative Rules in its review of the proposed rule. After commencement of the Second Notice Period, no substantive change may be made to a proposed rule unless it is made in response to an objection or suggestion of the Joint Committee on Administrative Rules. (See 5 ILCS 100/5-40(e).)~~
- ~~5) Response to JCAR Objection~~

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- ~~A) — If the Joint Committee on Administrative Rules objects to the proposed rulemaking, the Executive Director shall promptly notify the Board of such objection. The Executive Director shall also recommend that the Board respond to the objection by:~~
- ~~i) — modifying the proposed rulemaking to meet all specific objections of the Joint Committee on Administrative Rules;~~
  - ~~ii) — withdrawing the proposed rulemaking; or~~
  - ~~iii) — refusing to modify or withdraw the proposed rulemaking.~~
- ~~B) — After considering the objection of the Joint Committee on Administrative Rules and the Executive Director's recommended response, the Board shall determine what response it will make with respect to the objection of the Joint Committee on Administrative Rules. The Executive Director shall promptly, and no later in any event than ninety days after the Board's receipt of the statement of objection by the Joint Committee on Administrative Rules, notify the Joint Committee on Administrative Rules of the Authority's response and rationale for such response. (See 1 Ill. Adm. Code 220, Review of Proposed Rulemaking.)~~
- ~~e) — After the expiration of the forty five day Second Notice Period, after notification from the Joint Committee on Administrative Rules that no objection will be issued, or after response to a statement of objections issued by the Joint Committee on Administrative Rules, whichever is applicable, the Authority shall file in its principal office and in the Office of the Secretary of State a certified copy of each rule and modification or repeal of any rule adopted by it; such filing and certification shall be accomplished in the manner specified by the Secretary of State. Each rule hereafter adopted is effective upon such filing, unless a later effective date is required by statute or is specified in the rule. At the same time as such filing, the Authority shall submit to the Secretary of State, in the manner prescribed by the Secretary of State, for publication in the next available issue of the Illinois Register, a notice of rulemaking which presents:~~
- ~~1) — if the material is a new rule, the full text of the new rule; or~~
  - ~~2) — if the material is an amendment to a rule or rules, the full text of the rule or rules as amended; or~~

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- ~~3) — if the material is a repealer, such notice or repeal shall be published (see 5 ILCS 100/5-40(d) and 5-65).~~
- ~~d) — The following exceptions exist with respect to the foregoing provisions:~~
- ~~1) — The provisions of this Section do not apply to any action of the Authority which does not constitute the adoption, amendment, or repeal or a statement of general applicability that implements, applies, interprets, or prescribes law or policy; statements concerning only the internal management of an agency and not affecting private rights or procedures available to persons or entities outside the agency; informal advisory rulings; intra-agency memoranda; and the prescription of standardized forms (see 5 ILCS 100/1-70).~~
- ~~2) — The notice and publication requirements of this Section do not apply to a matter relating solely to agency management, personnel practices, or to public property. In such instances, the Authority may proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable to adopt a rule at a meeting and upon a vote in conformance with this Part. (See 5 ILCS 100/5-40(d).)~~
- ~~3) — Emergency Rules~~
- ~~A) — For purposes of this subsection (d)(3), “emergency” means the existence of any situation which the Authority finds reasonably constitutes a threat to the public interest, safety or welfare. Where the Authority finds that an emergency exists which requires adoption of a rule upon fewer days than is required herein, and states in writing its reasons for that finding, the Authority may adopt an emergency rule without prior notice or hearing, upon filing the required notice of emergency rulemaking with the Secretary of State. Such notice shall include the text of the emergency rule and shall be published in the Illinois Register. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing, or at a stated date less than 10 days thereafter. The Authority’s finding and a statement of the specific reasons therefor shall be filed with the rule. The Authority shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them. Emergency rulemaking shall not be effective for a period of more than 150 days, and no emergency rule shall be~~

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~~adopted more than once in a 24-month period. (See 5 ILCS 100/5-45.)~~

~~B) The Executive Director shall cooperate with the Joint Committee on Administrative Rules in its review of the Authority's emergency rule. If the Joint Committee objects to the emergency rulemaking, the Executive Director shall promptly notify the Authority of such objection and the Executive Director shall also recommend that the Authority respond to the objection by modifying the emergency rulemaking to meet all specific objections of the Joint Committee on Administrative Rules, withdrawing the emergency rulemaking, or refusing to modify or withdraw the emergency rulemaking. After considering the objection of the Joint Committee on Administrative Rules and the Executive Director's recommended response, the Authority shall determine what response it will make with respect to the objection of the Joint Committee on Administrative Rules. The Executive Director shall promptly, and in no event later than ninety days after the Authority's receipt of the statement of objection by the Joint Committee on Administrative Rules, notify the Joint Committee on Administrative Rules of the Authority's Response and rationale for such response. (See 1 Ill. Adm. Code 230, Review of Emergency Rules.)~~

~~4) Peremptory Rulemaking~~

~~A) For purposes of this subsection (d)(4), "peremptory rulemaking" means any rulemaking which is required as a result of federal law, federal rules and regulations, or an order of a court, under conditions which preclude compliance with general rulemaking requirements imposed herein and which preclude the exercise of discretion by the agency as to the content of the rule it is required to adopt. Where the Authority finds that peremptory rulemaking is necessary and states in writing its reasons for that finding, the Authority may adopt peremptory rulemaking upon filing the required notice of rulemaking with the Secretary of State. Such notice shall be published in the Illinois Register. A rule adopted under the peremptory rulemaking provisions of this Section becomes effective immediately upon filing with the Secretary of State and in the Authority's principal office, or at a date required or authorized by the relevant federal law, federal rules and~~

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~~regulations, or court order, as stated in the notice of rulemaking. Notice of rulemaking under this Section shall be published in the Illinois Register, and shall specifically refer to the appropriate State or federal court order or federal law, rules and regulations, and shall be in such form as the Secretary of State may reasonably prescribe by rule. The Authority shall file the notice of preemptory rulemaking within 30 days after a change in rules is required. (See 5 ILCS 5/5-50.)~~

- ~~B) — On the same day the notice of preemptory rulemaking is filed with the Secretary of State, the Executive Director shall submit to the Joint Committee on Administrative Rules a copy of the court order or specific citation of federal law requiring the preemptory rulemaking. The Executive Director shall thereafter cooperate with the Joint Committee on Administrative Rules in its review of the Authority's preemptory rulemaking. If the Joint Committee on Administrative Rules objects to the preemptory rulemaking, the Executive Director shall promptly notify the Authority of such objection and the Executive Director shall also recommend that the Authority respond to the objection by modifying the preemptory rulemaking to meet all specific objections of the Joint Committee on Administrative Rules, withdrawing the preemptory rulemaking, or refusing to modify or withdraw the preemptory rulemaking. After considering the objection of the Joint Committee on Administrative Rules and the Executive Director's recommended response, the Authority shall determine what response it will make with respect to the objection of the Joint Committee on Administrative Rules. The Executive Director shall promptly, and in no event later than ninety days after the Authority's receipt of the statement of objection by the Joint Committee on Administrative Rules, notify the Joint Committee on Administrative Rules of the Authority's response and rationale for such response. (See 1 Ill. Adm. Code 240, Review of Preemptory Rulemaking.)~~

(Source: Recodified from 8 Ill. Adm. Code 1400.110 at 31 Ill. Reg. 12104; amended at 44 Ill. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.135. Purchasing Rules and Regulations**

- a) Policy. Recognizing the necessity for economy in governmental expenditure, the Authority is committed to the practices of competitive bidding and centralized purchasing.
- b) Centralized Purchasing. Certain agencies have been charged with the responsibility for the central procurement of specified goods and services. Accordingly, the Authority will obtain such goods and services as prescribed by law through such agencies, including the Department of Central Management Services and such agencies as may be designated by law. Such goods and services shall include but not be limited to the following: paper, stationery, envelopes, insurance, vehicle maintenance and repairs, telecommunications equipment and services, electronic data processing equipment and services and construction materials and services.
- c) Acquisition of Services not elsewhere provided for in this Section. The Authority will enter into service agreements in accordance with the Illinois Procurement Code [30 ILCS 500].
- d) Procurement Rules. The procurement rules of the Department of Central Management Services shall govern all procurements by the Authority, [subject to exceptions provided for in the Illinois Procurement Code](#).
- e) Governing Provision. This Section is subject to the provisions of the Illinois Procurement Code and all other applicable laws of the State of Illinois.

(Source: Recodified from 8 Ill. Adm. Code 1400.150 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.140. Seal**

The Executive Director ~~is empowered to~~ [may](#) adopt an official seal for the Authority.

(Source: Recodified from 8 Ill. Adm. Code 1400.150 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.145. Principal Office**

The principal office of the Authority shall be: ~~233 S. Wacker Dr., Suite 4000~~ [the location of the Authority's primary office in Chicago, Chicago IL 60606](#) Illinois, [as such location may change from time to time](#).



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(Source: Amended at 12 Ill. Reg. 11219, effective June 20, 1988; recodified from 8 Ill. Adm. Code 1400.160 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.150. Revision**

This Part may be amended by the affirmative vote of ~~four~~eight or more members of the Board, such amendment to be effectuated as provided by law.

(Source: Recodified from 8 Ill. Adm. Code 1400.170 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.155. Construction; Waiver; Severability**

- a) Action Consistent with Act. Nothing in this Part or any other rule of the Authority shall be construed as prohibiting the Authority from taking any action consistent with the Act.
- b) Cases Not Covered by Rules. In any case not explicitly provided for by any rule of the Authority, the Authority may take such action as it deems necessary or appropriate to carry out the purposes of the Act.
- c) Extension of Time. The Authority or the Executive Director, may, upon a showing of good cause and if time permits, extend the time allowed for the performance of any function or duty required by the provisions of any rule of the Authority. In making any determination with respect to good cause, the Authority and the Executive Director shall give due regard to all relevant facts and circumstances, including such considerations as the complexity of the issues or the existence of extraordinary circumstances or unforeseen events which have led to the request for an extension of time.
- d) Severability. If any Section or provision of this Part or any other rule of the Authority is declared unconstitutional or void by a court of competent jurisdiction, or its applicability to any person or circumstances is held invalid, the constitutionality or validity of the remainder of this Part or any other rule of the Authority and the applicability to other persons and circumstances shall not be affected, and to this end, the Sections and provisions of this Part are declared to be severable.

(Source: Recodified from 8 Ill. Adm. Code 1400.180 at 31 Ill. Reg. 12104)

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SUBPART B: FINANCING PROGRAMS

**Section 1100.200. Definitions**

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specified~~different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

~~“Application” means an application for revenue bond or loan financing in the form provided by the Authority. The form of application may be amended from time to time.~~

“Assessment Contract” means an “assessment contract” as defined in Section 5 of the PACE Act.

“Bond Counsel” means, in the case of an Authority financing of one or more PACE Projects, an attorney at law or firm of attorneys (a) selected by either the county or counties and/or municipality or municipalities on behalf of which the Authority proposes to finance such PACE Project or PACE Projects or by their Program Administrator or Program Administrators, and (b) that otherwise satisfies the definition of the term “Bond Counsel” in Section 1100.50 of this Part 1100.

~~“Bond purchase commitment” means a letter, bond purchase agreement or other document from a bond purchaser, underwriter or placement agent indicating that the terms of a financing have been finalized and that the parties are prepared to execute the documents pertaining to the financing in their present form. A bond purchase commitment will not be regarded as complete unless it specifies the aggregate principal amount of the bond issue, the maximum interest rate or interest rate formula, the term of the issue, the maximum and minimum prices at which the bonds will be purchased, and an amortization schedule.~~

~~“Borrower” means the obligor on a loan made by the Authority, whether from the proceeds of a revenue bond issue or program capital.~~

“Enterprise Zone” means an enterprise zone as defined in the Illinois Enterprise Zone Act [20 ILCS 655].

“Environmental Act” means the Illinois Environmental Facilities Financing Act [20 ILCS 3515].

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"Environmental Project" means any ~~project~~Project which constitutes an environmental facility or facilities, as those terms are used in the Environmental Act.

"Health Facility Project" means any "health facility project" as defined in Section 801-10(l) of the Act.

~~"Inducement Resolution" or "Loan Commitment Resolution" means a resolution adopted by the Authority with respect to a project indicating the Authority's willingness to provide financing for the project, subject to the conditions specified in the resolution.~~

"PACE Act" means the Property Assessed Clean Energy Act [50 ILCS 50/1].

"PACE Project" means any "energy project" as defined in Section 5 of the PACE Act financed in whole or in part under subsection (d) of Section 825-65 of the Act.

"Participating Health Institution" means any "participating health institution" as defined in Section 801-10(k) of the Act.

"Program Administrator" means any "program administrator" as defined in Section 5 of the PACE Act.

~~"Tax Code" means the Internal Revenue Code, as amended, codified in Title 26, United States Code.~~

"Tax Increment Financing (TIF) District" means an area designated for redevelopment through tax increment allocation financing as provided in the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-1].

(Source: Recodified from 14 Ill. Adm. Code 1220.100 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### **Section 1100.202. Summary and Purpose**

The Authority operates several ~~loan financing~~ programs utilizing revenue ~~bonds~~Bonds and available program capital. Some or all of these programs are available to ~~businesses, local government, and not-for-profit institutions~~ Persons authorized under the Act to be Borrowers. The purpose of the Authority is to utilize its statutory powers to increase jobs, retain existing jobs, assist ~~local government in accessing~~ Units of Local Government to access affordable financing, facilitate capital financing of businesses and other eligible organizations, and

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generally to strengthen the economy and ~~in~~infrastructure of the State. This Subpart describes the policies of the Authority governing access to its financing programs.

(Source: Recodified from 14 Ill. Adm. Code 1220.110 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.204. Application Forms**

- a) Persons seeking financing assistance for ~~their project a~~ Project through one of the Authority's financing programs must submit information sufficient to enable the ~~members Board~~ to determine the nature of the ~~project~~Project, the likelihood of repayment of ~~a any~~ loan, the security structure needed for ~~a any~~ loan, and the extent to which a ~~project~~ Project meets ~~the~~ applicable statutory requirements and public purposes.
- b) Each ~~application for industrial, business, local government, not for profit organization or environmental projects must include~~ Application for financing assistance for a Project or Projects may include the following to the extent applicable to the ~~entity~~ Person submitting the application and the ~~particular facts of the project~~ Project itself:
- 1) The legal name and address of the ~~borrower~~ Borrower;
  - 2) The name(s) and address(es) of the principal occupant(s) or user(s), if different from the ~~borrower~~ Borrower;
  - 3) A statement of the type of ~~project~~ Project (i.e., whether industrial, business, conservation, housing, agricultural, local government, not for profit organization-, PACE or environmental);
  - 4) A description of the type of business of the ~~borrower~~ Borrower;
  - 5) ~~The standard industrial classification code and category for the borrower's business;~~
  - 6) ~~The borrower's federal tax identification number or social security number;~~
  - 7) The form of organization of the ~~borrower~~ Borrower;

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- ~~86~~) A description of other businesses, if any, which have ownership interests in the ~~borrower~~Borrower;
- ~~97~~) The names and addresses of (a) shareholders holding more than ~~107.5~~7.5% of ~~stock equity interests~~ in the ~~borrower and/or Borrower~~; or (b) all general partners (if the ~~borrower-Borrower~~ is a partnership; ~~or~~); or (c) members holding more than 7.5% of the economic or voting interest of the Borrower (if the Borrower is a limited liability company), or, (d) if the owner or any property financed would be a land trust, an identification of the trust and all beneficiaries of the trust including the percentage of beneficial interest of each beneficiary of the trust;
- ~~108~~) A listing of the names, positions, percent ownership and employment starting date, if any, of persons responsible for the management of the ~~company~~Borrower or the principal user or users, as applicable;
- ~~119~~) A description of the history and background of the business of the ~~borrower~~Borrower;
- ~~1210~~) A complete description of the ~~project-Project~~ including its proposed location, street address, legal description, elements of the proposed ~~project~~ Project (such as land acquisition, building construction, renovation, equipment purchases and installation), estimated ~~project~~-commencement and completion dates and information on tenants, if any, to whom any portion or portions of the ~~project-Project~~ may be leased; and a copy of any real estate sales contract and/or any lease agreement pertaining to the ~~project~~Project;
- ~~1311~~) A description of the products to be produced-, or services to be provided, at the proposed facility;
- ~~1412~~) A description of the machinery and equipment to be acquired with proceeds of the ~~bond issue~~financing, including acquisition lead time, the cost of the equipment and whether it is new or used;
- ~~1513~~) A statement of whether the ~~project-Project~~ is located in an ~~enterprise zone~~Enterprise Zone;
- ~~1614~~) Information relating to the ~~project-Project~~ site, its size, access roads, railroad access and utilities;
- ~~1715~~) Site improvements existing on the land (e.g., parking lots, driveways,

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landscaping);

- ~~1816)~~ ~~A statement Listing~~ of the United States Congressional, Illinois House of Representatives, and Illinois Senate Districts in which the ~~project-Project~~ is located;
- ~~1917)~~ A description of the buildings existing and to be built on the Project site and their intended uses;
- ~~2018)~~ The amount of the proposed financing;
- ~~2119)~~ A summary of ~~project-Project~~ costs including:
- A) a breakdown of ~~project-Project~~ expenditures (or uses of funds), the total costs of ~~project-Project~~ elements, and the sources of funds for payment of such costs including sources other than bond proceeds; and
  - B) evidence of construction and/or renovation cost estimates provided by an architect, contractor or engineer, which may be in the form of a letter from the estimator;
- ~~2220)~~ A description of sources and amounts of working capital available to the ~~borrowerBorrower~~, including without limitation lines of credit;
- ~~2321)~~ An identification of the proposed bond purchaser or purchasers, and the interest rate and term of the bonds, ~~and a copy of the letter of intent or commitment letter from such purchaser, which letter must be addressed to the borrower;~~
- ~~2422)~~ A statement ~~of~~ whether the bonds will be publicly sold or privately placed;
- ~~2523)~~ A statement ~~of~~ whether guarantees or other forms of credit enhancement, such as letters of credit, fund escrows, bond insurance or debt reserve with respect to payment of the bonds, will be part of the transaction;
- ~~26)~~ ~~For commercial projects, a statement of whether the project is located in a tax increment financing district, 24) For all Projects other than provision of working capital to Units of Local Government, a statement whether the Project is located in a Tax Increment Financing (TIF) District,~~ slum or blighted area as defined in Section 3(i) of the Urban Renewal Consolidation Act of 1961 [315 ILCS 30/3(i)], commercial district or

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targeted redevelopment area (an area designated by local authorities and to which local authorities or other persons have committed funds to redevelop that area, to include, but not be limited to, ~~enterprise zones~~Enterprise Zones, ~~TIF districts~~ Tax Increment Financing (TIF) Districts, and slum and blighted areas);

- 2725) For ~~environmental projects~~Environmental Projects, copies of orders, complaints, decrees and other official action to which the ~~project~~Project is a response;

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- 26) For PACE Projects, copies of any reports on the evaluation of the existing water or energy use and the modeling of expected monetary savings pursuant to Section 35(c)(10) of the PACE Act and copies of the Assessment Contract or Assessment Contracts to be assigned to the Authority as security for its bonds and (if applicable) interim financing pursuant to Section 35(k) of the PACE Act;
- 2827) Information on current or projected employment for the two years subsequent to completion of the ~~project~~Project, and, for commercial ~~projects~~Projects, a listing of the proposed tenants, lease type, rental amounts, areas rented and the term of the leases;
- 2928) An estimate of the number of construction jobs to be created as a result of the ~~project~~Project;
- 3029) A statement as to the effect of the ~~project~~Project on the community, including such examples as increased traffic, generation of retail sales and real estate taxes, environmental ~~effect~~benefits, energy efficiency benefits, water use benefits, renewable energy benefits, alternative energy benefits, employment opportunities and quality of life;
- 3130) A statement as to the economic feasibility or a marketing analysis for the ~~project~~Project, if requested;
- 3231) The names, addresses and telephone numbers of the ~~borrower's~~ Borrower's general counsel, ~~bond counsel~~Bond Counsel, accountant, and consultant, if anyapplicable;
- 3332) The name and address of the ~~municipality or other unit of government~~ Unit of Local Government that exercises planning and subdivision control over the ~~project~~Project site. See Section 1100.206.; and
- 3433) A certification ~~by the borrower that the site for the project is not located in a special flood hazard area as designated by the Illinois Department of Natural Resources, Division of Waterways, and that the borrower has made an investigation which determined that it is not in such an area. The borrower must also certify~~ that all information in the application is true to the best knowledge and belief of the ~~borrower~~Borrower.
- c) Each ~~application for a project~~Application for financing assistance for (i) a Project for which the ~~borrower~~Borrower is not an existing ~~company or any project~~ Person or (ii) any Project which is to be financed on a non-recourse, mortgage



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basis, ~~and each application for a commercial project must include~~ (iii) an “industrial project” as defined in Section 801-10 of the Act that does not finance property for use by any instrumentality of the State or its political subdivisions, must include (unless and to the extent waived by Authority staff):

- 1) A projected cash flow ~~analysis-forecast~~ for the ~~project-Project~~; and
  - 2) An operating pro forma financial statement covering the construction period and the succeeding ~~ten-three~~-year period (five years for commercial real estate Projects) giving the base year’s revenues, maintenance and operating costs. Explanatory footnotes shall be ~~written-included~~ describing the assumptions used in forecasting income and expenses. Debt service expenses should be separated by lending source, and method of depreciation must be noted.
- d) Unless the ~~project-Project~~ is to be financed in a non-recourse, mortgage-~~secured~~ basis, each ~~borrower for a project-Borrower for a Project, other than a PACE Project~~, must:
- 1) If the ~~application-Application~~ is for an existing ~~company-Person~~, submit financial statements for the previous three (3) years of operation, plus an interim financial statement not more than 90 days old at the time the ~~application-Application~~ is submitted. Audited statements are preferred if available.
  - 2) Submit a comparative summary balance sheet and a summary profit and loss statement for the previous three (3) years.
  - 3) To the extent applicable to the Borrower, provide Provide sales and earnings projections for a three (3) year period.
  - 4) If the ~~borrower-Borrower~~ is not the operating company, but an individual, provide a personal history of the ~~borrower-Borrower~~ and personal financial statements. Partnership ~~borrowers-Borrowers~~ must include personal statements for each partner, if the principals are to guarantee the bonds, and must indicate the party with legal authority to sign documents.

(Source: Recodified from 14 Ill. Adm. Code 1220.120 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.206. ~~[Reserved]~~ Notice to Municipalities**

- ~~a) The Authority shall not issue any bonds relating to the financing of an industrial project located within the planning and subdivision control jurisdiction of any municipality unless:~~
- ~~1) Notice of the proposed project, including a description of the proposed financing, is submitted to the corporate authorities of such municipality; and~~
  - ~~2) Such corporate authorities, within 45 days after mailing of the notice, have failed to notify the Authority that the municipality has adopted a resolution disapproving the project, or have notified the Authority that the municipality has adopted a resolution approving the project. [20 ILCS 3505/6.1]~~
- ~~b) The Authority will submit notice to the municipalities designated by the borrower after adoption of the inducement resolution. It is the responsibility of each borrower and its counsel to properly identify to the Authority at the time of application any municipality having planning and subdivision control jurisdiction over any portion of the project. The Authority will incorporate into the notice the project description and approximate financing amount provided by the borrower in the application.~~
- ~~c) During the months of November and December, and during the two months preceding the effective date of any tax legislation changes affecting bonds, the Authority will forward the required 45-day notice to municipalities prior to adoption of an inducement resolution, if requested by the borrower.~~
- ~~d) Changes in the project, the legal entity who will become the borrower in the financing, or the financing amount or structure shall require additional or corrected notices to be sent. Notice to the Authority of such changes are the responsibility of the borrower. The Authority assumes no responsibility for any delays in completing the financing arising out of a need to comply with this Section.~~

(Source: Recodified from 14 Ill. Adm. Code 1220.130 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.208. Changes in Information and Additional Information**

- a) Borrowers are responsible for notifying the Authority in writing ~~within 30 days of any as soon as practicable of~~ subsequent material changes in the nature or description of the ~~project~~Project, the financial condition of the proposed ~~borrower~~Borrower, and the proposed structure or ~~participation~~participants in the financing.
- b) Prior to the Board meeting at which ~~project a~~ Project financing will be considered, the ~~borrower~~ Borrower must submit a disclosure statement which ~~will disclose identifies~~ the ownership of any trust, estate, ~~corporate and partnership entities who will be in the role of borrower or guarantor in the financing. A form corporation, limited liability company, or partnership entity that will be a Borrower, a guarantor of the financing or a principal user of the Project. Forms~~ for this purpose may be provided by the Authority.

(Source: Recodified from 14 Ill. Adm. Code 1220.140 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.210. Meetings of the Authority**

Regular meetings of the Authority are held in accordance with a schedule adopted by the Authority ~~at its annual meeting in July as provided in Section 1100.115.~~ The schedule of regular meetings for the current fiscal year of the Authority ~~is shall be~~ available on request. The schedule of regular meetings is subject to change. The Authority may schedule special meetings in a manner consistent with the by-laws of the Authority. Notice of the time and place of all regular and special meetings will be ~~published given as provided in Section 1100.115 and~~ in accordance with the Illinois Open Meetings Act [5 ILCS 120].

(Source: Recodified from 14 Ill. Adm. Code 1220.150 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.212. Eligible Projects**

- ~~a) Projects, other than environmental or public purpose projects, must be located in an area of Critical Labor Surplus.~~
- ~~b) All projects~~ a) All Projects to be financed on a federal tax-exempt basis must meet eligibility requirements imposed under the Tax Code.

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- eb) Borrowers may seek financing for the costs of Projects constituting capital projects, which include but are not limited to, costs of the acquisition, construction, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property, or personal property for use by ~~an~~ entity a Person whether public or private, for profit or not for profit. Project costs also include the associated expenses of a capital project, such as expenses relating to engineering and legal services, plans, specifications, surveys, estimates of costs, and costs of determining the feasibility or practicability of the ~~project~~Project. Projects which are structured to receive the benefits of tax exempt ~~status~~financing under Sections 103 and 141-147 of the Tax Code ~~shall~~must adhere to the ~~expenditure applicable~~ regulations under those sections of the Tax Code regarding the expenditure and use of the ~~exempt~~ proceeds of such financing. In addition, Borrowers that are Units of Local Government may seek financing for Projects constituting provision of working capital and Participating Health Institutions may seek financing for Health Facility Projects constituting financing or refinancing of accounts receivable, working capital, liability or insurance cost or operating expenses.

(Source: Recodified from 14 Ill. Adm. Code 1220.160 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.215. Scheduling of Project Consideration**

- a) The Authority shall endeavor to consider the adoption of an ~~inducement resolution or a loan commitment resolution for a project~~ Inducement Resolution or a Final Resolution, as the case may be, or a Loan Commitment Resolution for a Project at the next regularly scheduled meeting of the Authority following the receipt of a completed ~~application, provided that the application is received not later than four weeks preceding such meeting. If the application is received less than four weeks prior to the meeting date, the Authority may, at its option, consider the resolution at either that meeting or the next regularly scheduled meeting~~Application. Borrowers will be notified ~~by letter~~ of the project number assigned to their transaction and of the time and place of the meeting at which their ~~application~~Application will be considered. ~~The Authority recommends that borrowers~~ Borrowers may attend such meeting in order to answer any questions posed by the Board.
- b) In case of a ~~loan commitment resolution~~Loan Commitment Resolution, ~~the Authority such~~ resolution shall continue as a valid commitment for a period of time not later than the end of the sixth month following the date of ~~the resolution~~adoption of the Loan Commitment Resolution unless a different

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commitment period is specified in the Loan Commitment Resolution. The Authority may extend the ~~resolution—commitment period under a Loan Commitment Resolution~~ for an additional six months by motion adopted by the Board if requested by the Authority staff or ~~borrower—the Borrower~~ because of a need for additional time to conclude the ~~project—financing of the related Project.~~

- c) Any material change in the financing structure or the financial condition of the ~~borrower—between—Borrower subsequent to~~ the date of adoption of a resolution ~~and but prior to~~ closing of the transaction shall require reconsideration by the Board.

(Source: Recodified from 14 Ill. Adm. Code 1220.200 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.220. Staff Review**

The staff of the Authority will review each complete ~~application—Application~~ and place it on the agenda for consideration by the Board. The staff will make a recommendation for Board action with respect to each ~~project—Project~~ based upon the criteria set forth in Sections 1100.230 and 1100.235. The recommendations of the staff are not binding on the Board.

(Source: Recodified from 14 Ill. Adm. Code 1220.210 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.225. Authority Action**

- a) The Board, ~~using—applying~~ the criteria set forth in Sections 1100.230 and 1100.235—, will review each ~~application—Application~~ for issuance of its ~~revenue bonds or use of program capital or other available sources of funds~~ to finance a ~~project—Project~~ and take any one of the following actions:
- 1) ~~Adopt an inducement or loan commitment resolution.~~
  - 2) ~~Decline to adopt an inducement or loan commitment resolution—1) adopt an Inducement Resolution or Final Resolution, as the case may be, or Loan Commitment Resolution~~ with respect to the ~~project—Project~~;
  - 2) ~~decline to adopt an Inducement Resolution or Final Resolution, as the case may be, or Loan Commitment Resolution with respect to the Project; or~~
  - 3) ~~Table 3) table~~ consideration of the ~~project—Project~~ to allow further time for consideration by the Board or for submission of additional information by the ~~borrower—Borrower~~.

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- b) The Authority may reconsider ~~applications which have not received inducement resolutions~~ Applications for which Inducement Resolutions or Final Resolution, as the case may be, or Loan Commitment Resolutions were not adopted if requested by the ~~borrower~~ Borrower and if a motion to so reconsider is made by a member of the Authority who was either absent or voted “no” at the time the ~~application~~ Application was originally considered.

(Source: Recodified from 14 Ill. Adm. Code 1220.220 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.230. General Criteria for Approval**

In determining whether to recommend an ~~application~~ Application for financing under Section 1100.225, the Authority staff ~~shall take into account~~ may consider the following criteria to the extent applicable:

- a) The financial responsibility of the ~~borrower~~ Borrower and any user of the ~~project~~ Project other than the Borrower, including:
- 1) The readiness of the ~~project~~ Project to proceed;
  - 2) In the case of ~~a revenue bond bonds~~ of the Authority, the nature of the commitment of ~~the any~~ proposed purchaser, the nature of the bond security, and the likelihood that the bond purchaser will be repaid based on an evaluation of the ~~borrower's~~ Borrower's credit worthiness as evidenced in the ~~application~~ Application;
  - 3) The likelihood that the ~~project~~ Project would not proceed without ~~the benefit of~~ Authority financing;
  - 4) Whether the ~~project~~ Project is one of several ~~projects~~ Projects to be financed through a pooled bond issue; and
  - 5) In the case of a loan or other use of Authority's funds, the ability of the ~~borrower~~ Borrower to repay the Authority and the sufficiency of available collateral based on an evaluation of the ~~borrower's~~ Borrower's credit worthiness or, in the case of PACE Projects, the value of the Property (as defined in the PACE Act) to be subject to an Assessment Contract (as defined in the PACE Act) as evidenced in the ~~application~~ Application.

The Authority staff need not consider the financial responsibility of the Borrower or users of a Project in those cases where the Authority staff determines that a loan or other use of Authority

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funds significantly furthers the Authority's mission and furthers important public purposes under the Act.

- b) The relationship between the amount of funds and proportion of all sources of funds to be provided by the Authority for a Project and each of the following representations (to the extent applicable to the Project) made by the ~~borrower~~ Borrower in the application:
- 1) The number and type of jobs ~~produced~~ reasonably forecast to be created or retained by the ~~project~~ Project, including jobs in the construction industry;
  - 2) The contribution the ~~project~~ Project will make to the economic development of the area in which it is located and the need for such development;
  - 3) The need or demand for the goods and services to be provided by the ~~project~~ Project;
  - ~~4) Whether the project will result in the retention of businesses and jobs in the State which would otherwise be lost to the State; and~~
  - ~~5) In the case of an environmental project~~ Environmental Project, the environmental benefits of the ~~project~~ Project; and
  - ~~5) In the case of a PACE Project, the alternative energy benefits, energy efficiency benefits, renewable energy benefits, resiliency benefits, and/or water use benefits expected to be derived from the PACE Project.~~
- c) Such other evidence which the ~~borrower~~ Borrower makes available to demonstrate that the ~~project~~ Project advances the objectives of the Act, the PACE Act or the Environmental Act, as the case may be.
- ~~d) In the case of a proposed financing of a Project for a Borrower other than a Unit of Local Government, whether the Project is a secular project and whether financing the Project would violate the provisions of Article 10, Section 3 of the 1970 Constitution of Illinois, which generally forbids the use of public funds in aid of any church or sectarian purpose, or the provisions of the First Amendment to the United States Constitution, which generally prohibits laws respecting an establishment of religion. In considering this criterion, the Authority and Authority staff may rely exclusively on the advice of Bond Counsel for the financing.~~

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(Source: Recodified from 14 Ill. Adm. Code 1220.230 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.235. Additional Criteria for ~~Commercial~~ Certain Projects**

In addition to the criteria established in Section 1100.230, in the case of Projects for commercial ~~projects purposes,~~ the Authority ~~shall~~ may consider whether and to what extent any of the following conditions exists:

- a) The ~~project~~ Project will be occupied in whole or in substantial part by the owner of the ~~project who~~ Project which is expanding ~~his or her~~ its business and increasing employment, or whether all or a substantial part of the ~~project~~ Project has been leased to a tenant or tenants who are expanding their businesses and increasing employment.
- b) The ~~project~~ Project has special features ~~which are,~~ including, without limitation, whether the Project is designed to attract start-up companies, and the owner can demonstrate the likelihood of success for the ~~project~~ Project; for example, incubator facilities and ~~projects~~ Projects which provide shared or low-cost services to small businesses.
- c) The ~~project~~ Project demonstrates a likelihood of occupancy and is located in:
  - 1) an ~~enterprises zone~~ Enterprises Zone;
  - 2) a Tax Increment Financing (TIF) District;
  - 3) an officially-designated slum or blighted area under State law; ~~or~~
  - 4) any other district specifically designated for economic development by the municipality or other Unit of Local Government in which the ~~project is~~ Project is to be located; or
  - 5) any other area of economic hardship.
- d) The owner can demonstrate a reasonable expectation of increased employment from the ~~project~~ Project based upon ~~his or her~~ its past experience in developing and leasing similar projects or upon the market for similar projects in the area.

(Source: Recodified from 14 Ill. Adm. Code 1220.240 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))



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**Section 1100.237. Additional Criteria for Projects for Units of Local Government**

In addition to the criteria established in Section 1100.230, in the case of Projects for a Unit of Local Government, the Authority may consider the ability of the Unit of Local Government to repay its loan by considering the following criteria to the extent relevant:

- 1) The economic base and financial status of the Applicant Unit of Local Government.
- 2) Population trends.
- 3) Employer, income level and unemployment statistics.
- 4) Existing debt of the Unit of Local Government and its maturity structure.
- 5) Security for proposed debt.
- 6) Trends in debt retirement, budgetary sufficiency, and historical debt service coverage.
- 7) Revenue and tax collection data and trends.
- 8) Major employers.
- 9) Tax rate limitations.
- 10) Debt per capita.
- 11) Assessed valuation trend.
- 12) Pension and post-employment benefit liabilities.
- 13) Major users/revenue contribution.
- 14) General financial condition.

(Source: Added at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.240. Submission of Documents**

In order for a ~~bond~~ Final Resolution for a financing to be considered ~~for final resolution at the at~~ a regular ~~monthly~~ meeting of the ~~Authority, a bond purchase commitment and copies of all major~~ Authority, a bond purchase commitment and copies of all major ~~financing documents, including any official statement or offering memorandum in substantially~~

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~~final form~~ Board, copies of all documents which in the judgment of Authority staff are significant must be submitted to the Authority ~~not less than 12 calendar days~~ in advance of the applicable meeting date. ~~Documents will be regarded as in substantially final form when submitted with a bond purchase commitment and a letter from bond counsel which states that fact. In addition, as required by the Authority.~~ In addition, if applicable, any public hearings required under the Tax Code must ordinarily be held prior to the adoption of a ~~final resolution~~ Final Resolution. ~~Bond counsel should notify the~~ The Authority ~~at least 7 calendar days must be notified as soon as practicable~~ prior to the date of the meeting if the amount of the ~~bonds to be issued~~ applicable financing transaction has changed from the amount set forth in the ~~inducement resolution~~ Inducement Resolution (if applicable) or in the Application. During December, and within the calendar month preceding the stated effective date of any tax legislation passed by either house of the United States Congress, the Authority in its discretion may shorten the foregoing deadlines for ~~projects~~ Applications for financings pending at such time.

(Source: Recodified from 14 Ill. Adm. Code 1220.250 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.245. Public Hearing Procedures and Responsibilities**

In the case of a ~~project~~ Project which is to be financed as a private activity bond, as that term is used in the Tax Code, ~~bond counsel and borrowers~~ Bond Counsel for the financing and the applicable Borrower are responsible for ensuring compliance with the public notice and public hearing requirements of the Tax Code and as provided in subsection (d) below shall cooperate with the Authority in effecting such compliance. The ~~Authority has established the~~ following procedures ~~in this Subpart are intended~~ to assist in meeting these requirements.

- a) Public hearings will be held on ~~Monday-Friday~~ immediately preceding each regular meeting of the Authority. If that ~~Monday-Friday~~ is a public holiday, however, the public hearing will be held on the next ~~day~~. ~~Bond counsel for the project must request the Authority to hold a public hearing for a project prior to the meeting of the Authority at which the final resolution for such project will be adopted~~ business day. Public hearings will be held by a designated officer or employee of the Authority commencing on the hearing date at the offices of the Illinois Finance Authority, ~~or~~ such other location designated by the Authority from time to time. ~~Bond counsel should select a proposed date for the public hearing and notify the Authority and Authority counsel of it in writing at least three weeks prior to the date selected. Bond counsel should include with this notification a copy of the proposed notice of public hearing. Public hearings may be held on a different schedule if deemed advisable by the Authority in consultation with Bond Counsel or Authority counsel.~~

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- ~~b) During the two months preceding the effective date of any tax legislation passed by either house of the United States Congress, the Authority may revise its schedule of public hearings to increase the number of public hearings to be held. Bond counsel should consult with Authority staff to assure that the needs of the project are able to be accommodated.~~
- ~~e) The borrower and its bond counsel~~ b) The applicable Borrower and Bond Counsel for the financing are responsible for newspaper publication of public notice of any public hearing required under Section 147 of the Tax Code ~~not less than two weeks prior to the date selected for such hearing. Public notice must be published in the State Journal Register in Springfield, Illinois and in a newspaper of general circulation available to residents of the locality of the facility to be financed.~~ in accordance with the requirements of Section 147.
- ~~d) Bond counsel~~ c) Bond Counsel should arrange for affidavits of publication evidencing the required publication of public notice of any public hearing required under Section 147 of the Tax Code to be sent to and received by the Authority ~~at least two business days before the public hearing~~ as soon as reasonably practicable.
- e) If notice by means other than newspaper publication is permitted by law and used, Bond Counsel and the applicable Borrower shall cooperate with the Authority in effecting such notice.

(Source: Recodified from 14 Ill. Adm. Code 1220.300 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.250. Final Public Approval**

The Governor of the State serves as the applicable elected representative for purposes of the public approval requirement of Section 147(f) of the Tax Code applicable to private activity bonds, as defined in the Tax Code. The Authority will not submit ~~requests-a request~~ for approval to the Governor until the public hearing has been held and the Authority has adopted a ~~final resolution~~ Final Resolution authorizing the issuance and sale of the ~~bonds~~ Bonds.

(Source: Recodified from 14 Ill. Adm. Code 1220.310 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.255. Requests for Allocation of Volume Cap**

- a) The Authority will not allocate ~~volume cap or request an allocation of volume cap from the Governor's office~~ Volume Cap to an issue of private activity bonds, as

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defined in the Tax Code, until all basic documents for the ~~transaction-financing~~ have been submitted to the Authority in substantially final form, a public hearing with ~~request-respect~~ to the financing has been duly held, and the Authority has adopted a ~~final-resolution-Final Resolution~~ authorizing the issuance and confirming the sale of ~~bonds-the Bonds~~. However, during the two months preceding the stated effective date of any tax legislation passed by either house of the United States Congress, the Authority in its discretion may waive the requirements that a ~~final-resolution-Final Resolution~~ be passed prior to submission by the Authority of a request for allocation of Volume Cap for all ~~projects~~ Projects pending at the time of such waiver.

- b) During the calendar year, the Authority may receive cessions of ~~bonding volume~~Volume Cap. ~~Such-The use of such~~ ceded ~~bonding volume~~Volume Cap may be restricted or unrestricted, depending on the ~~resolution-of-the-municipality legislative action of the governing body of the Unit of Local Government~~ pursuant to which it is ceded. If restricted, the Authority will use such amount of ceded ~~bonding volume~~Volume Cap in conformity with such restrictions.

(Source: Recodified from 14 Ill. Adm. Code 1220.320 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.260. Amendatory Resolutions**

If material changes are made to a ~~project~~Project or the terms of ~~the-a~~ financing, an amendatory resolution ~~shall be required. Borrowers are required to notify the Authority in writing and consult bond counsel and counsel to~~ may be required. The Authority must be notified at least four weeks prior to a regular meeting of the Authority if material changes are to be made to ~~the-project-a~~ Project or the terms of ~~the-a~~ financing which would require the adoption of such an amendatory resolution, provided that Authority staff in its sole discretion may shorten the four-week advance period. Such an amendatory resolution ordinarily will be considered at the next regular meeting of the Authority ~~occurring not sooner than two weeks~~ following receipt ~~by the Authority~~ of such ~~written~~ notice.

(Source: Recodified from 14 Ill. Adm. Code 1220.330 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.265. Bond Counsel on Pooled ~~Bond Issues~~Financings**

~~The-Other than in the case of PACE Projects financed in a pooled financing, the~~ Authority will select ~~bond counsel~~Bond Counsel to be used on all pooled financings. ~~Such bond counsel~~Bond Counsel may be paid from ~~bond~~ proceeds. ~~Each borrower in a pooled~~ of the applicable financing ~~must be represented by its own general counsel.~~

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(Source: Recodified from 14 Ill. Adm. Code 1220.400 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.270. Program Requirements for Pooled Financings; Standardized Documents**

The Authority ~~will~~may prescribe program requirements for each pooled financing on an issue by issue basis. Such program requirements will relate primarily to the individual deal structure and may relate to such matters as minimum and maximum loan sizes, and requirements to maintain the tax-exempt status-, if applicable, of a pooled financing. In addition, on all pooled financings ~~borrowers,~~ including PACE Projects, Borrowers and participating ~~banks~~bond purchasers may be required to use standardized forms of certain documents prepared by ~~bond counsel~~Bond Counsel or counsel to the Authority.

(Source: Recodified from 14 Ill. Adm. Code 1220.410 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.275. Transcripts**

~~a) The Authority must receive with reasonable promptness after the bond closing one unbound set or originally executed counterparts of all closing documents and one bound volume two computer discs each containing copies of all closing documents, the cost of which shall be borne by the ~~borrower~~Borrower. ~~Both the unbound~~The transcript ~~and the bound volume~~ should include an index of closing documents or closing memorandum incorporating such index. ~~The Authority should receive the unbound transcript within one month of the closing and the bound volume within three months after the closing.~~~~

~~b) Each document in the unbound transcript should be filed in a separate pocket, envelope or folder.~~

~~c) The bound volume must be permanently bound with library binding, with a dark blue or black cover in buckram (or its equivalent) and gold lettering.~~

~~d) The spine of the bound volume should contain the following information:~~

~~1) The name of the project;~~

~~2) The amount of the bond issue;~~

~~3) The type of bond issue (i.e., IRB or Pollution Control);~~

~~4) The name "Illinois Finance Authority";~~

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- ~~5) The final maturity date of the bonds; and~~
- ~~6) The series designation, if any (i.e., Series 198X).~~
- ~~e) The cover of the bound volume should contain the following information:~~
  - ~~1) The name of the project;~~
  - ~~2) The amount of the bond issue;~~
  - ~~3) The type of bond issue; and~~
  - ~~4) The name "Illinois Finance Authority."~~
- ~~f) If the documents are bound in more than one volume, each volume should specify which documents are contained in that volume (i.e., Vol. I—closing documents 1-7; Vol. II—closing documents 8-45).~~
- ~~g) If the unbound transcript or bound volume does not meet these specifications, it will be returned and another bound volume or unbound transcript meeting these specifications will be required.~~

(Source: Recodified from 14 Ill. Adm. Code 1220.500 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.280. Authority Fees**

- a) ~~The~~ Authority is statutorily required to support itself through charging fees to ~~borrowers~~Borrowers, ~~and~~ interest on its loans and ~~by~~ making investments.
- b) The Authority shall establish appropriate fees from time to time, ~~and shall publish such fees applicable to each of its program.~~ The Authority will provide ~~borrowers~~Borrowers with detailed information concerning the fees applicable to ~~the a~~ particular ~~project~~Project and financing.
- c) Borrowers are advised that the Authority fees do not include payment of fees to or expenses of any other party involved in ~~the a~~ financing unless specifically stated. Borrowers should consult their counsel or financial advisor as to the fees ~~and expenses~~and expenses of other parties.

(Source: Recodified from 14 Ill. Adm. Code 1220.510 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.285. Noncompliance and Waiver**

Noncompliance by the Authority with any provisions of this Subpart will not invalidate any action taken by the Authority pursuant to a duly adopted resolution of the Authority within the powers delegated to the Authority under the Act. The Authority may, by a vote of ~~ten (10)~~eight (8) members, waive any technical, non-substantive provision of this Subpart. In any resolution of the Authority waiving a provision of this Subpart, the Authority will make findings of fact inducing it to waive the provision in question.

(Source: Recodified from 14 Ill. Adm. Code 1220.520 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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SUBPART C: VETERAN'S GOVERNMENTAL UNIT ASSISTANCE PROGRAM

**Section 1100.300. Rules and Guidelines Applicable to the State Guarantee Program for Qualified Veteran-Owned Small Businesses**

- a) General Description of Program. The State Guarantee Program for Qualified Veteran-Owned Small Businesses was created to assist veterans to make more easily the transition from service in the armed forces of the United States to civilian life and to alleviate conditions of unemployment or underemployment among veterans. In enacting Article 835 of the Act to authorize this program, the General Assembly found and declared (i) that there is an inadequate supply of funds available in this State at rates sufficiently low to enable veterans to own and operate small businesses successfully in this State; (ii) such an inadequate supply of funds makes the transition of veterans from service in the armed forces of the United States to civilian life more difficult and results in increased unemployment of veterans and its attendant problems; (iii) that there have been recurrent shortages of funds available to small businesses owned and operated by veterans in this State from private market sources at reasonable interest rates; and (iv) that the ordinary operations of private enterprise have not in the past corrected these conditions.
- b) Definitions

Words defined in the Act and in Section 1100.50 have the same meaning when used in this Subpart unless a different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Applicant" means a veteran whose application for a State Guarantee has been submitted to the Authority by a lender.

"Fund" means one or more of the Industrial Project Insurance Fund, the Illinois Agricultural Loan Guarantee Fund, or the Illinois Farmer and Agribusiness Loan Guarantee Fund, as applicable.

"Illinois Agricultural Loan Guarantee Fund" means the Illinois Agricultural Loan Guarantee Fund created under Section 830-30(c) of the Act.

"Illinois Farmer and Agribusiness Loan Guarantee Fund" means the Illinois Farmer and Agribusiness Loan Guarantee Fund created under Section 830-35(c) of the Act.



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"Industrial Project Insurance Fund" means the Industrial Project Insurance Fund created under Section 805-15 of the Act.

"Qualified Veteran-Owned Small Business" has the meaning provided in subsection (e) of Section 45-57 of the Illinois Procurement Code [30 ILCS 500/1 et seq.]. On the date of adoption of this subpart, Section 45-57 of the Procurement Code defines a Qualified Veteran-Owned Small Business as a small business (i) that is at least 51% owned by one or more qualified veterans living in Illinois or, in the case of a corporation, at least 51% of the stock of which is owned by one or more qualified veterans living in Illinois; (ii) that has its home office in Illinois; and (iii) for which items (i) and (ii) are factually verified annually by the Department of Central Management Services. The term "small business" is defined generally as a business that has annual gross sales of less than \$75,000,000 as evidenced by the federal income tax return of the business or that is certified by the Department of Central Management Services pursuant to Section 45-57.

"State Guarantee" means a note for which the State of Illinois shall be liable for 85% of the total principal and interest of the note as described by the Authority.

c) Authority to Enter Into State Guarantees.

The Authority may enter into a State Guarantee with a lender, or a person holding a note, of a loan or loans to a Qualified Veteran-Owned Small Business and may make payment, in whole or in part, on a State Guarantee from any of the following funds in such order and in such amounts as the Authority shall determine: (1) the Industrial Project Insurance Fund (if the Authority exercises its discretion under subsection (j) of Section 805-20); (2) the Illinois Agricultural Loan Guarantee Fund; or (3) the Illinois Farmer and Agribusiness Loan Guarantee Fund [20 ILCS 3501/835-15].

d) Any State Guarantees provided under this Subpart:

- 1) shall be for the benefit of a Borrower the status of which as a Qualified Veteran-Owned Small Business has been factually verified by the Department of Central Management Services [30 ILCS 500/45-51];
- 2) may not exceed \$500,000 per Qualified Veteran-Owned Small Business;
- 3) may not exceed a term of 15 years;
- 4) shall be the only State Guarantee provided for the Veteran-Owned Small Business, except that additional State Guarantees may be made for

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purposes of expansion of Projects financed in part by a previously issued State Guarantee;

- 5) shall be of a loan for the general corporate purposes of the Qualified Veteran-Owned Small Business;
- 6) shall be of a loan that bears interest at a rate, which may vary, that the Authority determines to be below the market rate of interest generally available to the Qualified Veteran-Owned Small Business Borrower, provided that if both the lender and the Qualified Veteran-Owned Small Business agree, the interest rate on a loan may be converted to bear interest at a fixed rate at any time during the term of the loan; and
- 7) shall be subject to an annual review and renewal by the lender and the Authority. [20 ILCS 3501/835-20(a)]

e) Application Procedures and Review

- 1) Lenders shall apply for the State Guarantees on Application forms provided by the Authority, shall certify that the Application and any other documents submitted, such as balance sheets, security analyses, cash flow projections and feasibility studies, are true and correct, and shall be liable to the Authority for any damages suffered because of an incorrect or untrue statement contained in any certified Application. Each Application shall at a minimum contain the name, address, present credit and financial information, including cash flow statements, financial statements, and balance sheets, of the Qualified Veteran-Owned Small Business, any other information pertinent to the Application, and the collateral to be used to secure the State Guarantee. [20 ILCS 3501/835-20(a)]
- 2) After approval of the Application and receipt of the documentation necessary prior to closing the loan, the Authority shall send a State Guarantee Closing Documents package to the lender containing all the appropriate forms and documents to execute. Upon completion of all such forms and documents by the Borrower, the lender and the Authority, the State Guarantee loan will be considered closed.
- 3) Following submission of the State Guarantee Application by the lender, the Authority shall review the Application. The Authority's review will include whether the proposed Borrower under the loan to be subject to the State Guarantee is a Qualified Veteran-Owned Small Business and whether the lender has complied with the requirements of subsection (f) of

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this Subpart. The Authority's review will also include evaluation of such factors as collateral, percentage of loan, debt to asset ratio, cash flow, and other information submitted by the lender and the proposed Borrower.

- 4) When an Application for a State Guarantee under this Subpart is submitted to the Authority, the Executive Director shall review the Application to determine whether it is complete pursuant to subsection (e)(1), and whether it meets the criteria established by the Act and this Subpart:
  - A) If the Executive Director determines that the Application is incomplete, he/she shall within 14 days of such determination inform the lender and the proposed Borrower of such determination and specify in detail the information or material that is necessary to complete the Application. For the purpose of subsection (i) of this Subpart, no Application shall be deemed complete until the lender or proposed Borrower have provided the additional information or material requested by the Executive Director.
  - B) When the Executive Director has completed his/her review of the Application, he/she shall present the Application with a statement of recommended action to the Board at its next scheduled regular meeting. The Executive Director shall base the review on such factors as collateral, percentage of loan, debt to asset ratio, cash flow and other information submitted by the lender and the proposed Borrower.
- 5) The Board shall review each Application under this Subpart presented by the Executive Director using the criteria in subsection (e)(3), and the Board shall:
  - A) approve the Application and provide the State Guarantee pursuant to the Act and this Subpart; or
  - B) deny the Application and provide the lender and proposed Borrower with a written statement of the grounds for the denial.
- 6) The Authority may charge each Applicant (i) an application fee to be submitted to the Authority at the time a Borrower's Application is filed, and (ii) a program administrative fee to be paid by the Borrower to the Authority at the time a financing is closed, provided that the amount of the application fee shall be credited against the amount of the program

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administrative fee due from the Borrower. The Authority may by resolution adopted from time to time fix and change the amounts of such fees. [20 ILCS 3501/ 801-40(j)] The amount of the program fee may be included in the State Guarantee loan amount. The lender may charge no fees or points in addition to those outlined herein. The Applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fees or charges that the Authority may require. [20 ILCS 3501/835-20(a)]

7) If the Application is denied, the proposed Borrower and the lender may file a Request for Reconsideration stating reasons why the Board should withdraw its denial of the Application. This Request for Reconsideration must be filed with the Authority not later than 21 days after denial and should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the Request for Reconsideration at its next scheduled regular meeting. The review will be based on the criteria established in subsection (e)(3). Based on the review, the Board shall approve or deny the Request for Reconsideration. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the Application that is the subject of the Request for Reconsideration shall be deemed complete for the purposes of subsection (i) of this Subpart.

f) Provision or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to a lender if, in addition to meeting the other criteria described in the Act and this Subpart:

1) agrees to pay an annual fee to the Authority in an amount equal to 25 basis points on the loan (or such other amount as is permitted by the Act and established by the Authority by resolution), along with any other necessary expenses for maintaining the State Guarantee [20 ILCS 3501/835-20(b)];

2) the Application provides collateral acceptable to the Authority in an amount that is at least equal to the State's exposure under the State Guarantee to loan losses [20 ILCS 3501/835-20(b)];

3) the lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default, subject to consulting with the Authority [20 ILCS 3501/835-20(b)];

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- 4) the lender agrees that it is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied [20 ILCS 3501/835-20(b)];
- 5) the lender assumes responsibility for proceeding with collecting and disposing of collateral on the State Guarantee within 14 months of the date the State Guarantee is declared delinquent; provided, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. Approval will be granted if the collateral is disposed of in a reasonable commercial manner based on the manner, time and place of the sale, the purchase price and the purchaser. If the lender does not dispose of the collateral within 14 months of the date the State Guarantee is declared delinquent, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate that the lender charges on the State Guarantee; provided that the Authority shall have the authority to extend the 14 month period for a lender in the case of bankruptcy or extenuating circumstances that prevent the lender from liquidating the collateral. [20 ILCS 3501/835-20(c)] The lender shall repay this interest to the State until the collateral for the State Guarantee has been liquidated and the State has been reimbursed. If the lender fails to repay the State the interest as outlined in this paragraph, the Authority shall turn the matter over to the Attorney General's office for appropriate legal action;
- 6) the lender agrees that after the sale of collateral, the State shall be reimbursed 85% of the remaining principal amount of the State Guarantee loan. If funds from the sale of the collateral remain after this payment, the lender shall be reimbursed 15% of the remaining principal amount of the loan. If excess funds remain after paying the remaining principal to the State and lender, then the State and lender shall be repaid interest on a pro-rated basis; 85% of such excess funds shall be allocated to the State's portion and 15% to the lender's portion. If excess funds exist after repaying both the State and the lender, these funds shall be paid to the Borrower.

g) Review and Revocation

- 1) The loan shall be reviewed annually by the lender and the Authority as to collateral value and performance by the Borrower. If the Authority determines that the existing collateral is insufficient to cover the State's exposure to liability, additional collateral will be requested. If the

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- Borrower fails to pledge such additional collateral, the State Guarantee may be revoked. The determination of whether to revoke the State Guarantee will be based on the Borrower's ability to service the debt. If the Authority calls the State Guarantee, the holder of the Guarantee will be paid 85% of the outstanding principal and interest balance and the Borrower will be liable to reimburse the State for such payments.
- 2) A State Guarantee may be revoked by the Authority upon a 90-day written notice to all parties specifying the reasons for such revocation (e.g., submission of false documents, changing loan documents or change of State residency).
- 3) A lender may not call any loan bearing interest at a variable rate for any reason except for lack of performance on the Borrower's part, insufficient collateral, or maturity. [20 ILCS 3501/835-20(a)]
- 4) A lender may review and withdraw or continue with a State Guarantee on an annual basis after the first five years following closing of the loan if the loan bears interest at a fixed interest rate. [20 ILCS 3501/835-20(a)] If a lender undertakes such a review, it must provide the Authority and the Borrower with written notification of its decision whether to withdraw or continue. Such notification must be provided on or before the date on which payment is due.
- 5) The Borrower must make all payments within 90 days after the stated payment date. Failure to make any payments on or before its due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest balances on the loan shall become immediately due and payable. The State Guarantee cannot be reinstated after the 90-day delinquency period.
- h) Valuation of Collateral. All collateral shall be evaluated by Authority staff or appraised by a qualified appraiser. A qualified appraiser is one whose qualifications have been reviewed by the Authority. The Authority will consider an appraiser qualified who has at least three years' experience appraising the type of collateral offered by the Borrower and lender. The Authority shall have sole discretion to determine whether the collateral is sufficient to cover the portion of the loan subject to the State Guarantee and may appoint an independent appraiser to aid in its determination. Collateral value may be reviewed each year by the lender or an independent appraiser appointed by the Authority. The Borrower

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shall be liable to pay for all appraisal fees which are incurred when the value of the collateral is established.

- i) Priority of Applications. Applications shall be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed documents.
- j) Guarantors and Additional Collateral. A proposed Borrower for a loan subject to a State Guarantee under this Subpart may have a guarantor co-sign the note and/or pledge additional collateral for the portion of the loan subject to the State Guarantee if the lender and the Authority determine that the proposed Borrower alone cannot provide sufficient collateral.
- k) The State Guarantee. In the event of default, the Authority shall make payment on the State Guarantee of 85% of the outstanding principal and interest owned on the State Guarantee to the holder of the State Guarantee within 30 days after receiving an appropriate request from the lender certifying that the 90-day delinquency period has elapsed.
- l) Prepayment of Loan. The frequency of payments due on a loan shall be determined on a case by case basis. Payment schedules will be tailored to match the income and resources of the Qualified Veteran-Owned Small Business. The loan may be prepaid in full or in part without penalty at any time during the term of the loan.
- m) Assumption of Loans. Loans subject to a State Guarantee under this Subpart may not be assumed except with the approval of the Board. Approval will be granted only in unusual circumstances.

(Source: Recodified from 47 Ill. Adm. Code 400.103, 400.104 and 400.105 at 31 Ill. Reg. 12104;-amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**~~Section 1100.300 Purposes and Objectives; Compliance with Federal Law; Forms for Program~~**

- ~~a) This Subpart is established to accomplish the general purposes of Article 820 of the Act and in particular the purchasing of governmental units bonds in accordance with the program to achieve the following objectives:~~
  - ~~1) To foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by rural units of local government, and for the financing of their respective public improvements~~

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~~and other governmental purposes within the State from proceeds of bonds or notes issued by those governmental units;~~

- ~~2) To assist rural governmental units in fulfilling their needs for those purposes by use of creation of indebtedness;~~
  - ~~3) To the extent possible, to reduce the costs of indebtedness to taxpayers and residents of this State and to encourage continued investor interest in the purchase of bonds or notes of rural governmental units as sound and preferred securities for investment; and~~
  - ~~4) To encourage rural governmental units to continue their independent undertakings of public improvements and other governmental purposes and the financing thereof, and to assist them in those activities by making funds available at reduced interest costs for orderly financing of those purposes, especially during periods of restricted credit or money supply, and particularly for those rural governmental units not otherwise able to borrow for those purposes.~~
- ~~b) This Subpart shall be construed in conformity and compliance with applicable federal law, including without limits Section 103A of the Internal Revenue Code (26 USC 103).~~
- ~~c) The Executive Director shall prepare, use, supplement and amend such forms, agreements and other documents as may be necessary to implement the program.~~

~~(Source: Recodified from 47 Ill. Adm. Code 400.103, 400.104 and 400.105 at 31 Ill. Reg. 12104)~~

~~**Section 1100.305 Applicant Eligibility**~~

~~Any "governmental unit," meaning any rural county; or any municipality or township having a population less than 25,000, school district, community college district, special district, or other unit designated as a rural unit of local government by the Governor's Executive Order No. 1986-6, effective October 17, 1986, creating the Rural Fair Share Initiative located in a rural county who wishes to sell bonds, may apply to participate in selling bonds to the Illinois Finance Authority.~~

~~(Source: Recodified from 47 Ill. Adm. Code 410.102 at 31 Ill. Reg. 12104)~~

~~**Section 1100.310 Pre-Filing Stage**~~



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~~Prior to the preparation or submission of any application for assistance, each governmental unit is requested to contact the Authority's Executive Director. The Executive Director will arrange for a meeting or meetings, with the unit and the Authority's Executive Director and financial advisor. The purpose of the meeting or meetings is to provide information to the unit of local government in order to assist in the application process under the Act and this Part.~~

~~(Source: Recodified from 47 Ill. Adm. Code 410.103 at 31 Ill. Reg. 12104)~~

~~**Section 1100.315 Filing of Application**~~

- ~~a) When a loan application is submitted to the Authority, the Executive Director shall review the loan application to determine whether it is complete (all information is fully filled out), and whether the criteria established by the Act and this Part have been satisfied. If the Executive Director determines that the loan application is incomplete, he shall, within five days of such determination, inform the applicant and shall detail the information or material which is necessary to complete the application. For the purpose of this Part, no application shall be deemed complete until the applicant has provided additional information or material as requested by the Executive Director.~~
- ~~b) Once the application is completed, the application shall be filed with the Authority. (The applicant unit is to submit its application fee with the application).~~
- ~~c) The Authority's Executive Director shall submit this filed application to the Authority for its consideration at its next meeting once the financial advisor's initial financial review is completed.~~
- ~~d) At the next meeting, the Authority will determine if it shall accept the submitted application. In reaching this conclusion, the Authority will consider:
  - ~~1) The application itself;~~
  - ~~2) Comments and presentations by representatives of the applicant unit; and~~
  - ~~3) The financial advisor's initial review.~~~~
- ~~e) If the Authority accepts the application, it shall authorize the following tasks:
  - ~~1) Bond counsel shall be directed to undertake a preliminary investigation of legal feasibility of the project; and~~~~

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- ~~2) The Board of the Illinois Finance Authority, in order to accomplish the purposes of the Act, in concert with the financial advisor, establishes the credit policy of the Authority. Applications of local governmental units are analyzed to determine their ability to repay such loans without diminishing or diluting the credit quality and obligations of the State of Illinois. The following criteria are taken into account in the financial review process:~~
- ~~A) The economic base and financial status of the local government.~~
  - ~~B) Population trends.~~
  - ~~C) Employer, income level and unemployment statistics.~~
  - ~~D) Debt of the governmental unit and maturity structure.~~
  - ~~E) Security of contemplated debt.~~
  - ~~F) Trends in debt retirement, budgetary sufficiency and historical debt coverage.~~
  - ~~G) Revenue and tax collection data and trends.~~
  - ~~H) Major employers.~~
  - ~~I) Tax rate limitations.~~
  - ~~J) Debt per acre.~~
  - ~~K) Assessed valuation trend.~~
  - ~~L) Pension liabilities.~~
  - ~~M) Major users/revenue contribution.~~
  - ~~N) General Financial condition.~~
- ~~f) Upon acceptance of the application by the Authority, the application fee shall be deemed non-refundable and shall be deposited by the Authority.~~

~~(Source: Recodified from 47 Ill. Adm. Code 410.104 at 31 Ill. Reg. 12104)~~

~~**Section 1100.320 Approval of Application**~~

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- a) ~~The Authority shall decide whether or not to approve an accepted application, based upon the criteria stated in Section 1100.310(d) and (e), once the financial advisor and bond counsel have completed their reviews of the project.~~
- b) ~~If the accepted application is approved, the financial advisor, Executive Director and bond counsel will be authorized and directed to prepare all necessary financial and legal documentation incident to a bond or note offering, e.g., a certified financial statement of the unit of local government.~~
- c) ~~"Approval" of an application by the Authority is not, nor should be, construed as any form of a commitment or guarantee, on the part of the Authority to the applicant unit that the proposed financing will be successfully completed and sold. Rather, approval of an application indicates the Authority's desire to work with the applicant in the attempt to bring its issue to sale.~~
- d) ~~In the event that the applicant's issue is sold, the applicant shall reimburse the financial advisor and bond counsel for their services rendered. Such costs may be funded out of bond proceeds. Further, in the event that the applicant's issue is sold, the applicant shall be obligated to pay the Authority the Administrative Charge and Annual Fee.~~

(Source: ~~Recodified from 47 Ill. Adm. Code 410.105 at 31 Ill. Reg. 12104~~)

**~~Section 1100.325 Denial of Application~~**

~~If the application is denied and service is made upon the applicant about the grounds for the denial, then within 21 days of denial, the applicant may file with the Authority a Request for Reconsideration, stating reasons why the Authority should withdraw its denial of the application and approve the loan. The Request for Reconsideration may be accompanied by supporting documents and information not previously considered by the Authority. The Authority shall review the Request for Reconsideration. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the application that is the subject of the Request for Reconsideration shall be deemed complete for the purposes of this Subpart. An application which has been denied by the Authority might be reconsidered under the following circumstances:~~

- a) ~~The governmental unit exhibits an improving financial condition as evidenced by empirical data and ratio analysis.~~
- b) ~~The creditworthiness of the project is enhanced by collateral and/or more attractive terms and conditions proffered by the applicant.~~

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- e) ~~Additional information is supplied which will significantly and positively impact the economic viability of the local government unit (i.e., new plant(s) opening(s), expansion of existent businesses, significant commercial and residential regentrification, etc.)."~~

~~(Source: Recodified from 47 Ill. Adm. Code 410.106 at 31 Ill. Reg. 12104)~~

~~**Section 1100.330 Priority of Application**~~

~~Applications shall be processed by the Authority on a first come, first served basis, based upon the receipt of all completed documents by the Authority. The Authority may deviate from the first come, first served rule.~~

~~(Source: Recodified from 47 Ill. Adm. Code 410.107 at 31 Ill. Reg. 12104)~~

~~**Section 1100.335 Source of Payment and Nature of Obligation**~~

~~The principal and interest on the bond is a limited obligation payable solely out of the revenues derived from the governmental unit and the underlying collateral or other security furnished by or on behalf of the governmental unit.~~

~~(Source: Recodified from 47 Ill. Adm. Code 410.108 at 31 Ill. Reg. 12104)~~

~~**Section 1100.340 Fees**~~

- a) ~~The Authority shall, by resolution, establish the schedule of fees and charges of the Authority.~~
- b) ~~Fees of the Authority are designed to cover the operating expenses of the Authority.~~
- c) ~~The total amount to be charged for Costs of Issuance and Annual Fee for a bond issue shall not exceed the limits established by the Authority. Cost of Issuance = the total amount to be charged a local government for Cost of Issuance for a bond issue shall not exceed 3% of the local government debt.~~

~~(Source: Amended at 16 Ill. Reg. 19206, effective November 25, 1992; recodified from 47 Ill. Adm. Code 410.109 at 31 Ill. Reg. 12104)~~

~~**Section 1100.345 Purchase of Governmental Unit Bonds**~~

~~If its application is accepted, a governmental unit may contract to pay interest on, or an interest cost per year for, money borrowed from the Authority and evidenced by its securities purchased~~

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~~by the Authority. Every governmental unit may contract with the Authority concerning the terms and conditions of the loan or purchase, without limitation as to denomination. As provided in the ordinance of the governing body of the governmental unit under which the bonds and notes are authorized to be issued, those bonds and notes may:~~

- ~~a) — Be fully registered, registerable as to principal only, or in bearer form;~~
- ~~b) — Bear interest in compliance with Section 820-40 of the Act [20 ILCS 3501/820-40];~~
- ~~c) — Be evidenced in any manner by the governing instrument determining the debt;~~
- ~~d) — Contain other provisions not inconsistent with this Section; and~~
- ~~e) — Be sold to the Authority without advertisement at any price or prices.~~

~~(Source: Recodified from 47 Ill. Adm. Code 420.101 at 31 Ill. Reg. 12104)~~

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## SUBPART D: ILLINOIS DEVELOPMENT ACTION GRANT PROGRAM

**Section 1100.400. Purpose; Definitions; Incorporation by Reference**

- a) The Illinois Development Action Grant Program provides financial assistance to municipalities experiencing severe economic distress in order to stimulate economic development activities needed to aid in economic recovery. Under this program, grants are made to municipalities to support housing, commercial, and industrial ~~projects~~ Projects which have as their primary objective the development of viable urban communities. Private investment in proposed ~~projects~~ Projects is required. The creation or retention of employment and other economic opportunities for low and moderate income persons and the revitalization of distressed areas are principal goals of the program. This program is authorized by Section 801-40(n) of the Act.
- b) The Authority may also make grants (i) to counties to which Division 5-37 of the Counties Code is applicable to assist in the financing of capital development, construction and renovation of new or existing facilities for hospitals and health care facilities, (ii) under Section 801-40(p) to universities and research institutions, research consortiums and other not for profit entities for the purposes of: remodeling or otherwise physically altering existing laboratory or research facilities, expansion or physical additions to existing laboratory or research facilities, construction of new laboratory or research facilities or acquisition of modern equipment to support laboratory or research operations if such grants are used solely in support of project and equipment acquisitions which enhance technology transfer, and (iii) under Section 801-40(q) to units of local government for the purpose of developing the appropriate infrastructure or defraying other costs to the local government in support of laboratory or research facilities, in each case subject to the applicable conditions in those subsections of the Act. The grants described in this subsection (b) are not “Grants” as defined in subsection (c).
- bc) Definitions

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific~~ different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

“Application” means the application for the use of program funds for a particular ~~project~~ Project.

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"Corporate Authorities" means the city council or similar body when the reference is to cities, the board of trustees or similar body when the reference is to villages or incorporated towns, and the council when the reference is to municipalities under the commission form of municipal government.

"Grant" means a grant awarded to a ~~municipality~~ Municipality under ~~this program~~ the Program.

"Leveraging Ratio" means the number resulting from the division of the total amount of private sector commitments or other non-program commitments generated by the ~~project~~ Project by the amount of the grant requested for the ~~project~~ Project. Funds to be counted toward the private sector commitment include all types of capital investment to be expended as a direct result of the grant, including private investment (equity participation, internally generated funds, conventional financing, Small Business Administration guaranteed loans, tax exempt revenue bonds, etc.) and loans or grants made by units or agencies of municipal, state, or federal government, other than the Authority. Examples of commitments include written commitments of a financial institution or other ~~entity~~ Person to make a loan or grant for a particular ~~project~~ Project, or executed loan contracts or grant agreements.

"Low Income" means income of persons whose annual income does not exceed 50% of the median income for the metropolitan statistical area in which the ~~project~~ Project is located, with adjustments for larger and smaller families, as specified in Table A of this Part.

"Metropolitan Statistical Area" means a metropolitan statistical area as determined by the United States Office of Management and Budget as of June 30, 1985, and published in the 1986 Statistical Abstract of the United States, United States Department of Commerce, Bureau of the Census.

"Moderate Income" means income of persons whose annual income does not exceed 80% of the median income for the metropolitan statistical area in which the ~~project~~ Project is located, with adjustments for larger and smaller families, as specified in Table A of this Part.

"Municipality" means a city, village or incorporated town in the State of Illinois.

"Primary Developer" means the non-governmental ~~project~~ Project participant who has primary responsibility for the planning, organization, development and completion of the ~~project~~ Project.

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"Program" means the Illinois Development Action Grant Program.

"Project" means the group of integrally related activities which are to be carried out by all public and private participating parties, as listed in the agreement relating to the ~~project~~Project.

ed) Incorporation by Reference

All materials incorporation by reference in this Subpart are incorporated as of the date specified and include no later amendments or editions.

(Source: Recodified from 14 Ill. Adm. Code 1200.100, 110 and 120 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.405. Eligible Applicants; Eligible Projects**

- a) Only ~~municipalities~~Municipalities are eligible to apply for and receive ~~grants~~Grants from the Authority under the program. Subject to appropriation of funds for such purpose by the General Assembly, all ~~municipalities~~Municipalities in Illinois are eligible for ~~grants~~Grants under the program. The ~~project~~site of the Project must be within the corporate limits of the ~~municipality~~Municipality applying for the ~~grant~~Grant.
- b) All ~~projects~~Projects, the primary objectives of which are the development of viable urban communities and expansion of economic opportunity, principally for persons of low and moderate incomes, are eligible for funding. The Authority will consider ~~grants to municipalities for~~Grants to Municipalities for a broad range of housing, industrial, and commercial ~~projects~~Projects. The Authority will select from among eligible ~~projects~~Projects on the basis of the criteria for selection set forth in Section ~~1100.435~~1100.430.

(Source: Recodified from 14 Ill. Adm. Code 1200.200 and 210 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.410. Municipal Approval**

No ~~application~~Application for program funds ~~shall be reviewed by the member of the Authority until the corporate authorities of the municipality will be considered by the Board until the Corporate Authorities of the Municipality~~ have by resolution approved the ~~project~~Project. No such resolution ~~shall~~may be adopted until a public hearing has been held on the proposed ~~project~~Project at a location convenient to the ~~project~~site of the proposed Project. Notice of the public



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hearing ~~shall~~must be published once at least 14 calendar days prior to the date of the hearing in at least one newspaper of general circulation in the ~~municipality~~Municipality.

(Source: Recodified from 14 Ill. Adm. Code 1200.220 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.415. Application Requirements**

Each ~~application~~Application must be submitted on forms provided by the Authority. All ~~applications~~Applications submitted to the Authority must be accompanied by a cover letter signed by the chief executive officer of the ~~municipality~~Municipality indicating the names of the ~~projects~~Projects for which ~~applications~~Applications are being submitted. The completed ~~application~~Application must designate the ~~primary developer~~Primary Developer and include a copy of the public notice together with an affidavit of publication of such notice, a certified copy of the ~~municipality's~~Municipality's resolution or ordinance approving the ~~project~~Project, and evidence with respect to the program objectives described in Sections 1100.430 through 1100.450. Applications must also include disclosure of the names and functions of participants in the ~~project~~Project in addition to the ~~primary developer~~Primary Developer, including entities providing financing, contractors, architects, engineers, attorneys, accountants and other professional advisors, to the extent that the various participants are known at the time of application. Full disclosure of the various participants is required prior to the disbursement of any grant funds. Applications shall also include where appropriate:

- a) A description of the ~~project~~Project to be undertaken, and of the controlling interests in the property (e.g. fee title, lease, option to purchase, beneficial interest). The ~~applicant~~Applicant must substantiate the market and economic feasibility of the proposed ~~project~~Project, must analyze the economic benefits which the activities are expected to produce, and must show how the proposed activities will take advantage of opportunities to attract private investment. Economic feasibility may be substantiated by a variety of means calculated to demonstrate that the revenues expected to be generated by a ~~project~~Project will be sufficient to pay the cost of capital and operating expenses of the ~~project~~Project. Market feasibility may be substantiated by a variety of means calculated to demonstrate that the projected revenues and expenses of the ~~project~~Project are realistic in light of market factors. The ~~applicant~~Applicant must identify the public and private participating parties in the proposed ~~project~~Project, the respective activities to be performed by each and the amount of program funds to be allocated to each activity. Information provided ~~shall~~must include projected costs and methods of financing.

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- b) A clear description of the use of program funds and a justification of the amount, which amount must be the least amount necessary to make the ~~project~~ Project feasible. Also, the ~~application~~ Application must demonstrate that without program funds, the ~~project~~ Project would not be undertaken. The ~~applicant~~ Applicant may demonstrate the need for the ~~grant~~ Grant by a variety of means calculated to show that the ~~funding~~ financing applied for fills a gap in the financing for the ~~project~~ Project for which other funds are not available. Examples of the means to demonstrate such matters include a table of sources and uses of funds for the particular ~~project~~ Project, sets of pro forma financial statements for the ~~project~~ Project prepared both with and without the use of grant funds or a certificate of the owner or the ~~developer~~ Primary Developer that the ~~project~~ Project would not go forward without program funds.
- c) Documentation of private and public commitments which are necessary for completing the ~~project~~ Project. This document shall be in the form of an agreement to complete or to provide financing for the ~~project~~ Project. Examples of private commitments include an executed contract or a letter of intent furnished by a financial institution. No application will be considered unless there is evidence of at least a private commitment and, if necessary, a public commitment. Public commitments relate to activities necessary to the completion of the ~~project~~ Project which must be performed by a governmental body or agency. Examples of such public commitments include furnishing of infrastructure items to a particular ~~project~~ Project site or rezoning.
- d) A statement analyzing the impact of the ~~project~~ Project on the surrounding area, including the impact on ~~low and moderate income~~ Low Income and Moderate Income persons.
- e) A summary of all proposed expenditures to be undertaken to complete the ~~project~~ Project and a breakdown of the individual public and private expenditures.
- f) A detailed schedule for accomplishing each part of the proposed ~~project~~ Project.
- g) A survey of the ~~project~~ site of the proposed Project and maps, aerial photos, site plans or other graphic descriptions of the ~~project~~ Project showing the availability of transportation and utility service, and surrounding land uses.
- h) A summary of the new tax revenues to be generated by the ~~project~~ Project.
- i) Data specifying the number and types of jobs to be created by the ~~project~~ Project, the skill levels or experience required to fill such jobs and estimates of salaries to be paid for such jobs.

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(Source: Amended at 11 Ill. Reg. 10895, effective May 27, 1987; recodified from 14 Ill. Adm. Code 1200.230 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.420. Technical Assistance**

If requested in the ~~application~~Application, the Authority will arrange for technical assistance to ~~applicants~~Applicants during the ~~project~~Project review process. For example, the Authority might assist ~~applicants~~Applicants in accurately estimating the number of jobs a particular ~~project~~Project will create, or determining whether a particular item is an eligible cost under the program. In all cases, however, the responsibility for completing an ~~application~~Application rests with the ~~applicant~~Applicant.

(Source: Recodified from 14 Ill. Adm. Code 1200.240 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.425. On-Site Inspection**

During the period in which ~~the application~~an Application is being reviewed, ~~project~~Project participants ~~shall~~must provide full and free access to the ~~project~~site of the proposed Project to the officers, agents and employees of the Authority.

(Source: Recodified from 14 Ill. Adm. Code 1200.250 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.430. Selection Criteria**

- a) The Authority will review those ~~projects~~Projects for which completed ~~applications~~Applications have been submitted within the deadlines established under this ~~Subpart~~subpart. By vote of its members, subject to the availability of funds, the Authority will select for ~~grants~~Grants those ~~projects~~Projects which advance the objectives of the Act. In making its selection under this Subpart, the Authority shall take into account the following selection criteria, giving greatest weight to subsections (a)(1), (a)(2), (a)(3) and (a)(5):
  - 1) The level of economic distress within the ~~municipality~~Municipality or the ~~project~~area of the proposed Project. The level of distress of an area may be evidenced by a number of factors, including:
    - A) Age and condition of buildings, structures, and public infrastructure in the area;
    - B) Population growth or decline;

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- C) Level of unemployment in the area; and
  - D) Percentage of community residents with low or moderate income;
- 2) Extent of economic or social benefits of the ~~project~~Project on adjacent areas and persons residing therein, including benefits to persons of low and moderate income;
  - 3) Number of construction jobs and permanent full-time job equivalents created; jobs will be weighted more heavily if those jobs are to be filled by persons eligible for assistance under the federal Workforce Investment Act of 1998 (29 USC 2801);
  - 4) The number and type of housing units provided for persons of ~~low and moderate income~~Low Income and Moderate Income;
  - 5) The relative size of the ~~leveraging ratio~~Leveraging Ratio, including the sources of non-program funds used to leverage the ~~project~~Project;
  - 6) The projected impact of the ~~project~~Project on the tax revenues (income, property, sales, utility) of the State, the ~~applicant municipality~~Applicant Municipality, and other units of government;
  - 7) The nature of the commitment from the participants;
  - 8) The readiness of the ~~project~~Project to proceed;
  - 9) Evidence of the ~~project's~~Project's economic and financial feasibility;
  - 10) The physical design of the ~~project~~Project (e.g. functional suitability, aesthetic design, energy efficiency); and,
  - 11) Evidence of the ~~municipality's~~Municipality's and private participants' capacity to undertake the ~~project~~Project (e.g. credit history, past performance in similar projects).
- b) Upon the request of the ~~municipality~~Municipality, the Authority may determine that certain of the above criteria are not relevant to the nature of the ~~project~~Project proposed for ~~funding~~financing.

(Source: Recodified from 14 Ill. Adm. Code 1200.300 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.435. Deadlines**

- a) At the beginning of each fiscal year during which the Authority will actively conduct a grant program under this Subpart, the Authority will adopt a schedule or schedules by which ~~applications~~ Applications must be received and ~~grant~~ Grant awards will be made. In adopting such schedule or schedules the Authority will take into account the amount of funds appropriated and available for expenditure for the program, the number and size of ~~municipalities~~ Municipalities eligible to receive ~~grants~~ Grants under law and the need for efficient decision making.
- b) ~~The application~~ Each Application must state the ~~funding~~ financing round for which it is submitted. Grants, if any, will be made before the next deadline for ~~applications~~ Applications.
- c) For fiscal year 1986 only, round 1 applications shall be received on or before February 1, 1986 to be eligible for an award before April 1, 1986. Round 2 applications shall be received on or before April 1, 1986 to be eligible for an award before July 1, 1986.

(Source: Recodified from 14 Ill. Adm. Code 1200.310 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.440. Funding Restrictions and Eligible Costs**

- a) No more than \$1,000,000 in program funds may be awarded in any fiscal year to a single ~~project~~ Project.
- b) No more than \$2,000,000 in aggregated program funds may be awarded in any fiscal year to ~~projects~~ Projects developed or initiated by any single private sector developer.
- c) No program ~~grant~~ Grant may be less than \$30,000 in amount.
- d) Program funds shall be used only to pay for eligible ~~project~~ Project costs. Eligible ~~project~~ Project costs will be defined in the grant agreement.

(Source: Recodified from 14 Ill. Adm. Code 1200.330 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.445. Grant Agreement**

Upon approval of the ~~application~~-Application, the Authority and the ~~municipality~~-Municipality shall enter into a grant agreement containing terms and provisions relating to the ~~project~~Project. The Authority shall provide the form of the grant agreement.

(Source: Recodified from 14 Ill. Adm. Code 1200.330 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.450. Disbursement of Grants**

Funds shall be disbursed by the Authority after a ~~grant~~-Grant has been awarded and a grant agreement has been executed, pursuant to a disbursement schedule agreed to by the parties. In determining a ~~grant~~-Grant disbursement schedule under this section, the Authority will be guided by the availability of grant funds for disbursement, the timing of receipt of private sources of ~~funding~~-financing for a ~~project~~-Project and the expenditure schedule proposed by the ~~primary developer~~-Primary Developer for the ~~project~~Project.

(Source: Recodified from 14 Ill. Adm. Code 1200.340 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.455. Recordkeeping and Access to Information**

Any ~~municipality~~-Municipality which receives program funds and its ~~project~~-Project participants shall:

- a1) maintain separate, accurate accounts, records, and books with respect to the ~~project~~-Project in accordance with generally accepted principles of accounting consistently applied, such as the Codification of Governmental Accounting and Financial Reporting Standards (Governmental Accounting Standards Board, November 1, 1984);
- b2) grant to the employees of the State or representatives of the Authority at all times during normal business hours and as often as the Authority may require, full and free access to the ~~project~~-Project and to its accounts, records, and books;
- e3) permit the Authority or any accountants or auditors approved by the Authority to make periodic audits, excerpts or transcripts of the ~~project~~-Project accounts, statements and documents; and
- d4) at the request of the Authority, furnish copies of documents or instruments related to the ~~project~~-Project in the possession of the ~~municipality~~-Municipality or the

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~~primary developer~~ Primary Developer as the Authority may from time to time require.

(Source: Amended at 11 Ill. Reg. 10895, effective May 27, 1987; recodified from 14 Ill. Adm. Code 1200.400 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_ effective \_\_\_\_\_)

**Section 1100.460. Progress Reports**

Recipient ~~municipalities~~ Municipalities shall submit progress reports during the term of the grant agreement to the Authority. Such reports ~~shall~~ must include, but need not be limited to, a statement indicating expenditures and disbursements of program funds during the previous six month period and cumulatively and a statement on the progress and status of activities performed in relation to the ~~project~~ Project schedule and program objectives.

(Source: Recodified from 14 Ill. Adm. Code 1200.410 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_ effective \_\_\_\_\_)

**Section 1100.465. Audit Requirements**

Recipient ~~municipalities shall~~ Municipalities must cause to be prepared an audit of the uses of grant funds. The audit ~~shall~~ must be conducted in accordance with generally accepted standards of auditing for State and local government programs, such as the Standards for Audit of Government Organizations, Programs, Activities, and Functions (Comptroller General of the United States, 1981 Revision). The audit shall be undertaken and completed within 150 days from the completion of the ~~project~~ Project, and within 15 days following the date such audit is completed, the ~~municipality~~ Municipality shall transmit a copy of the audit to the Authority.

(Source: Recodified from 14 Ill. Adm. Code 1200.430 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.470. Grant Monitoring and Recovery**

The Authority retains the right to rescind program ~~grants~~ Grants and require the repayment of ~~grants~~ Grants already disbursed if it finds that the ~~municipality~~ Municipality or other ~~project~~ Project participant is misusing program funds or is not complying with the terms of these regulations, the grant agreement, or applicable law all as provided in the grant agreement. Grant recoveries shall be conducted in accordance with the Illinois Grant Funds Recovery Act.

(Source: Recodified from 14 Ill. Adm. Code 1200.430 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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**Section 1100.475. Project Completion Notice**

Each ~~municipality~~ Municipality shall notify the Authority within sixty (60) days after completion of the ~~project~~ Project that all portions of the ~~project~~ Project have been fully completed in accordance with the plans and specifications for the ~~project~~ Project. Within 180 days each ~~municipality~~ Municipality shall also be required to certify that all portions of the ~~project~~ Project have been fully paid for and that no claim or claims exist against the ~~project~~ Project out of which a lien based on the furnishing of labor or material exists or might ripen.

(Source: Recodified from 14 Ill. Adm. Code 1200.440 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)



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SUBPART E: ILLINOIS HOUSING PARTNERSHIP PROGRAM

**Section 1100.500. Purpose; Definitions; Incorporation by Reference**

- a) The purpose of the Illinois Housing Partnership Program is to assist the financing of ~~projects~~ Projects for the rehabilitation of affordable multi-family housing for low and moderate income residents. Under this program, the Illinois Finance Authority may provide zero-interest loans to municipalities to facilitate housing rehabilitation. This program is authorized by Section 801-40(o) of the Act.
- b) Definitions

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific different~~ definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

~~“Application” means the application for the use of program funds for a particular project.~~

“Corporate ~~authorities~~ Authorities” means the city council or similar body when the reference is to cities, the board of trustees or similar body when the reference is to villages or incorporated towns, and the council when the reference is to municipalities under the commission form of municipal government.

"Loan" means a loan from the Authority under this program.

“Low Income” means income of persons whose annual income does not exceed 50% of the median income for the metropolitan statistical area in which the ~~project~~ Project is located, with adjustments for larger and smaller families, as specified in Table A of this Part.

“Moderate Income” means income of persons whose annual income does not exceed 80% of the median income for the metropolitan statistical area in which the ~~project~~ Project is located, with adjustments for larger and smaller families, as specified in Table A of this Part.

"Multi-family Housing" means buildings with at least four (4) separate residential units, with each unit containing separate and complete facilities for living, sleeping, eating, cooking and sanitation, and containing at least three (3) rooms. Studio units are not considered units under this definition.

"Municipality" means a city, village or incorporated town in the State of Illinois.

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“Primary Developer” means the non-governmental ~~project~~Project participant who has primary responsibility for the planning, organization, development and completion of the ~~project~~Project.

"Program" means the Illinois Housing Partnership Program.

“Project” means the group of integrally related activities which are to be carried out by all public and private participating parties, as listed in the agreement relating to the ~~project~~Project.

c) Incorporation by Reference

All materials incorporated ~~edion~~ by reference in this Subpart are incorporated as of the date specified and include no later amendments or editions.

(Source: Recodified from 14 Ill. Adm. Code 1210.100, 110 and 120 at 31 Ill. Reg. 12104; ~~amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_~~)

**Section 1100.505. Eligible Applicants; Eligible Projects**

a) Eligible Applicants

Only ~~municipalities~~Municipalities are eligible to apply for and receive ~~loans~~Loans from the Authority under the ~~program~~Program. Subject to appropriation of funds for such purpose by the General Assembly, all ~~municipalities~~Municipalities in Illinois are eligible for ~~loans~~Loans under the ~~program~~Program. The ~~project~~Project site must be within the corporate limits of the ~~municipality~~Municipality applying for the ~~loan~~Loan.

b) Eligible Projects

- 1) All ~~projects~~Projects, the objectives of which are the rehabilitation of affordable, ~~multi~~Multi-family ~~housing~~Housing, principally for persons of ~~low and moderate incomes~~Low Income and Moderate Income, are eligible for ~~funding~~financing. The Authority will select from among eligible ~~projects~~Projects on the basis of the criteria for selection set forth in Section 1100.525.
- 2) In order to be eligible for selection on the basis of the criteria set forth in Section 1100.525, a Project must provide ~~multi~~Multi-family ~~housing~~Housing, at least 51% of the units being available at affordable rents for persons of ~~low and moderate income~~Low Income and Moderate Income, and involve rehabilitation of an existing structure or structures.

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“Affordable rents” means a rental charge which is not greater than one-third (  $\frac{1}{3}$  ) of the gross income of the ~~low or moderate income~~ Low Income or Moderate Income persons as defined in Section 1100.500.

- 3) Upon the request of the ~~applicant~~ Applicant, the Authority will consider for selection under Section 1100.525, ~~a Project~~ a Project in which less than 51% of the units are intended to be available at affordable rents to persons of ~~low and moderate income~~ Low Income and Moderate Income, provided that the ~~project~~ Project is located in a census tract in which the median income is no greater than the 80% of the median income for the metropolitan statistical area.

(Source: Recodified from 14 Ill. Adm. Code 1210.200 and 210 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.510. Municipal Approval**

No application for program funds ~~shall be reviewed~~ may be considered by the members of the Authority until the ~~corporate authorities of the municipality~~ Corporate Authorities of the Municipality have by resolution approved the ~~project~~ Project. No such resolution ~~shall~~ may be adopted until a public hearing on the proposed ~~project~~ Project has been held at a location convenient to the ~~project~~ Project site. Notice of the public hearing shall be published once at least 14 calendar days prior to the date of the hearing in at least one newspaper of general circulation in the ~~municipality~~ Municipality.

(Source: Recodified from 14 Ill. Adm. Code 1210.220 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.515. Application Requirements**

Each ~~application~~ Application must be submitted on forms provided by the Authority. The completed ~~application~~ Application must designate the ~~primary developer~~ Primary Developer and include a copy of the public notice together with an affidavit of publication of such notice, a certified copy of the ~~municipality's~~ Municipality's resolution approving the ~~project~~ Project, and evidence with respect to the program objectives described in Sections 1100.525-550. Applications ~~shall~~ must also include where appropriate:

- a) A description of the ~~project~~ Project to be undertaken, and the controlling interests in the property (e.g. fee title, lease, option to purchase, beneficial interest). The ~~applicant~~ Applicant must substantiate the market and economic feasibility of the proposed ~~project~~ Project, and must analyze the economic benefits which the activities are expected to produce. Economic feasibility may be substantiated by a

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variety of means calculated to demonstrate that expected revenues of the ~~project~~ Project will be sufficient to pay the costs of capital and operating expenses of the ~~project~~Project. Market feasibility may be demonstrated by a variety of means calculated to demonstrate that the projected revenues and expenses of the ~~project~~ Project are realistic in light of market factors. The ~~applicant~~ Applicant must identify the public and private participating parties in the proposed ~~project~~Project, the respective activities to be performed by each, and the amount of program funds to be allocated to each activity. Information provided ~~shall~~ must include projected costs and methods of financing.

- b) A clear description of the use of program funds and a justification of the amount of program funds requested. The amount of program funds must be the least amount necessary to make the ~~project~~ Project feasible. Also, the ~~application~~ Application must demonstrate that without program funds, the ~~project~~ Project would not be undertaken. The ~~applicant~~ Applicant may demonstrate the need for the ~~loan~~ Loan by a variety of means calculated to show that the ~~funding~~ financing applied for fills a gap in the financing for the ~~project~~ Project for which other funds are not available. Examples of the means to demonstrate such matters include a table of sources and uses of funds for the particular ~~project~~ Project or a certificate of the owner or developer that the ~~project~~ Project would not go forward without program funds.
- c) Documentation of private and public commitments which are necessary for completing the ~~project~~ Project. This documentation shall be in the form of agreements by the ~~project~~ Project participants to complete or to provide financing for the ~~project~~ Project. Public commitments relate to activities necessary to the completion of the ~~project~~ Project which must be performed by a governmental body or agency. Examples of such public commitments include the furnishing of infrastructure items to a particular ~~project~~ Project site or rezoning. No application will be considered unless there is evidence of at least a private commitment and, if necessary, a firm public commitment.
- d) A summary of all proposed expenditures to be undertaken to complete the ~~project~~ Project and a breakdown of the individual public and private expenditures.
- e) A detailed schedule for accomplishing each part of the proposed ~~project~~ Project.
- f) A survey of the ~~project~~ Project site, site plans and maps or other graphic descriptions showing the ~~project~~ Project and surrounding land uses.
- g) A summary of the new tax revenues to be generated by the ~~project~~ Project.

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- h) The number and type of housing units to be provided for ~~low and moderate income~~ Low Income and Moderate Income persons and families.
- i) The estimated rent schedule for all units in the ~~project~~ Project.

(Source: Recodified from 14 Ill. Adm. Code 1210.230 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.520. On-Site Inspection**

During the period in which the application is being reviewed, ~~project~~ Project participants ~~shall~~ must provide full and free access to the ~~project~~ Project site to the officers, agents and employees of the Authority.

(Source: Recodified from 14 Ill. Adm. Code 1210.240 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.525. Selection Criteria**

The Authority will review those ~~projects~~ Projects for which completed ~~applications~~ Applications have been submitted within the deadlines established under this Subpart. By vote of its members, subject to the availability of funds, the Authority will select for ~~loans~~ Loans those ~~projects~~ Projects which advance the objectives of the Act. In making its selection under this Subpart, the Authority shall take into account the following selection criteria, giving greatest weight to subsections (a)(1), (a)(2) and (a)(3):

- a) The level of economic distress within the ~~municipality~~ Municipality or the ~~project~~ Project area. The level of distress of an area may be evidenced by a number of factors, including:
  - 1) Age and condition of buildings in the area;
  - 2) Population growth or decline;
  - 3) Level of unemployment in the area; and
  - 4) Percentage of community residents with ~~low or moderate income~~ Low Income or Moderate Income;
- b) Extent of economic or social benefits of the ~~project~~ Project on persons residing in the area, including benefits to persons of ~~low and moderate income~~ Low Income and Moderate Income. Examples of economic or social benefits of a ~~project~~ Project

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Project may include the attraction of new residents to an area that has suffered a population decline or the retention of long term residents in the ~~project-Project~~ Project area;

- c) Number and type of housing units to be provided to ~~low and moderate income~~ Low Income and Moderate Income persons and families;
- d) The projected impact of the ~~project-Project~~ on the tax revenues (income, property, sales, utility) of the State, the ~~applicant municipality~~ Applicant Municipality, and other units of government;
- e) The nature of the commitment from the participants;
- f) The readiness of the ~~project-Project~~ to proceed;
- g) Evidence of the ~~project's-Project's~~ economic and financial feasibility;
- h) The physical design of the ~~project-Project~~ (e.g. functional suitability, aesthetic design, energy efficiency); and
- i) Evidence of the ~~municipality's-Municipality's~~ and private participants' capacity to undertake the ~~project-Project~~ (e.g., credit history, past performance in similar projects).

(Source: Recodified from 14 Ill. Adm. Code 1210.300 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.530. Deadlines**

- a) At the beginning of each fiscal year during which the Authority will actively conduct a financing program under this Subpart, the Authority will adopt a schedule or schedules by which ~~applications-Applications~~ must be received and awards will be made. In adopting such schedule or schedules the Authority will take into account the amount of funds appropriated and available for expenditure for the program, the number and size of ~~municipalities-Municipalities~~ eligible to receive ~~loans-Loans~~ under law and the need for efficient decisionmaking.
- b) The ~~application-Application~~ must state the ~~funding-financing~~ round for which it is submitted. Loans, if any, will be made before the next deadline for ~~applications-Applications~~.

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- c) For fiscal year 1986 only, round 1 applications shall be received on or before February 1, 1986 to be eligible for an award before April 1, 1986. Round 2 applications shall be received on or before April 1, 1986 to be eligible for an award before July 1, 1986.

(Source: Recodified from 14 Ill. Adm. Code 1210.310 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.535. Funding Restrictions and Eligible Costs**

- a) No more than 3 dollars of program funds may be provided for every 7 dollars obtained by the ~~municipality~~ Municipality from private sources.
- b) No more than \$1,000,000 in program funds may be awarded in any fiscal year to a single ~~project~~ Project.
- c) No more than \$2,000,000 in aggregate program funds may be awarded in any fiscal year to ~~projects~~ Projects developed or initiated by any single private sector developer.
- d) No program loan may be less than \$30,000 in amount.
- e) Program funds shall be used only for rehabilitation of existing housing. Program funds shall be used only to pay for eligible ~~project~~ Project costs. Eligible ~~project~~ Project costs will be defined in the loan agreement.

(Source: Recodified from 14 Ill. Adm. Code 1210.320 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.540. Loan Agreement**

Upon approval of the ~~application~~ Application, the Authority and the ~~municipality~~ Municipality shall enter into a loan agreement containing terms and provisions relating to the ~~loan~~ Loan. The Authority shall provide the form of the loan agreement.

(Source: Recodified from 14 Ill. Adm. Code 1210.330 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

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**Section 1100.545. Disbursement and Repayment of Loans**

Funds shall be disbursed after commencement of the ~~project-Project~~ pursuant to a disbursement schedule contained in the loan agreement. Repayment of the loan principal shall be made according to the loan agreement. The interest rate on all ~~loans-Loans~~ shall be zero (0) percent.

(Source: Recodified from 14 Ill. Adm. Code 1210.340 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.550. Loan Terms**

The ~~loan-Loan~~ may mature at such time or times, may be in such form, may be payable under such terms, may be secured by such security, and may contain such terms and covenants, all as may be provided by the Authority in the loan agreement, provided the principal of a ~~loan-Loan~~ made with respect to a ~~project-Project~~ shall be repaid upon sale by the owner to a non-participating party or upon final payment of any funds provided to a ~~project-Project~~ from private sources and secured by a first mortgage. All ~~loans-Loans~~ made by the Authority under this program shall be repaid upon the sale or transfer of the property rehabilitated.

(Source: Recodified from 14 Ill. Adm. Code 1210.350 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.555. Recordkeeping and Access to Information**

Any ~~municipality-Municipality~~ which receives program funds and its ~~project-Project~~ participants shall:

- a) maintain separate, accurate accounts, records, and books relative to the ~~project-Project~~ in such manner and detail as the Authority may prescribe in the loan agreement;
- b) grant to the employees of the State or representatives of the Authority at all times during normal business hours and as often as the Authority may require, full and free access to the ~~project-Project~~ and to its accounts, records, and books;
- c) permit the Authority or any accountants or auditors approved by the Authority to make periodic audits, excerpts or transcripts of the ~~project-Project~~ accounts, statements and documents; and
- d) at the request of the Authority, furnish copies of documents or instruments related to the ~~project-Project~~ in the possession of the ~~municipality-Municipality~~ or the ~~primary-developer-Primary Developer~~ as the Authority may from time to time



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require.

(Source: Recodified from 14 Ill. Adm. Code 1210.400 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.560. Progress Reports**

Recipient ~~municipalities shall~~ Municipalities must submit semi-annual progress reports to the Authority. Such reports shall include, but need not be limited to ~~—~~ a statement indicating expenditures and disbursements of program funds during the previous six month period and cumulatively and a statement on the progress and status of activities performed in relation to the ~~project~~ Project schedule and program objectives.

(Source: Recodified from 14 Ill. Adm. Code 1210.410 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.565. Audit Requirements**

Recipient ~~municipalities~~ Municipalities shall cause to be prepared an audit of the uses of ~~loan~~ Loan funds. The audit shall be conducted in accordance with generally accepted standards of accounting for State and local governments, such as the Codification of Governmental Accounting and Financial Reporting Standards (Governmental Accounting Standards Board, November 1, 1984). The audit shall be undertaken and completed within 150 days from the completion of the ~~project~~ Project, and within 15 days following the date such audit is completed, the ~~corporate authorities of the municipality~~ Corporate Authorities of the Municipality shall transmit a copy of the audit to the Authority.

(Source: Recodified from 14 Ill. Adm. Code 1210.420 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.570. Loan Monitoring and Recovery**

The Authority retains the right to rescind program loans and require the immediate repayment of loans already disbursed if it finds that the ~~municipality~~ Municipality or other ~~project~~ Project participant is misusing program funds or is not complying with the terms of these regulations, the loan agreement, or applicable law, all as provided in the loan agreement.

(Source: Recodified from 14 Ill. Adm. Code 1210.430 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

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**Section 1100.575. Project Completion Notice**

Each ~~municipality~~ Municipality shall notify the Authority within sixty (60) days after completion of the ~~project that all portions of the project have been fully completed in accordance with the plans and specifications for the project. Within 180 days, each municipality shall also be required to certify~~ Project that all portions of the Project have been fully completed in accordance with the plans and specifications for the Project. Within 180 days, each Municipality must certify that all portions of the Project have been fully paid for and that no claim or claims exist against the ~~project~~ Project out of which a lien based on the furnishing of labor or material exists or might ripen.

(Source: Recodified from 14 Ill. Adm. Code 1210.440 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.580. Loans to Certain Pension Funds.**

- a) As provided in Section 801-40(z) of the Act, notwithstanding the foregoing provisions of this Subpart D, the Authority may apply funds in its Illinois Housing Partnership Program Fund, together with other available funds, to make loans to the Police Officers' Pension Investment Fund authorized by Section 22B-120 of the Illinois Pension Code and to make loans to the Firefighters' Pension Investment Fund authorized by Section 22C-120 of the Illinois Pension Code.
- b) Loans shall be considered for approval, and may be approved, by the Board at a meeting held pursuant to Section 1100.210.
- c) Loans to a pension fund shall be made using a loan agreement and such other appropriate documentation, the form of which shall be approved from time to time by the Executive Director in his or her discretion.

(Source: Added at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_, 20\_\_ )

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SUBPART F: LOAN PARTICIPATION EDUCATIONAL FACILITIES PROGRAM

**Section 1100.600. Definitions**

Words defined in the Act, in Section 1100.50 and in Section 1100.200 and used in this Subpart have the same meaning when used in this Subpart unless a different definition is prescribed in this Subpart.

(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.5 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.600 Introduction**

- a) ~~The Illinois Finance Authority is a State agency which engages in the financing of educational facilities for private colleges, universities, and academic institutions in Illinois, and the financing of cultural facilities for private cultural institutions in Illinois, by issuing tax exempt revenue bonds. The tax exempt status of the Authority's bonds results in considerable savings in interest costs to the participating institutions.~~
- b) ~~The Illinois Finance Authority Act [20 ILCS 3501] (the "Act"), under which the Authority operates, was recently amended to make it possible for the Authority to engage in a broader range of financing than was previously the case. The Authority has accordingly prepared these Guidelines for the purpose of advising Illinois colleges, universities, academic institutions and cultural institutions as to what now can be financed under the Act. The Authority encourages interested institutions to apply for financing, but must, of course, reserve the right to accept or reject any application.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.5 at 31 Ill. Reg. 12104)~~

**Section 1100.610. Loan Participation Program**

The Loan Participation Program was created to aid, assist and encourage economic growth, development, or redevelopment within the State of Illinois and to promote the expansion, retention, or diversification of employment opportunities within the State including, without limitation, for veterans and veteran owned businesses. The Loan Participation Program was also created to assist in the financing or refinancing, in whole or in part, of PACE Projects. The Authority will pursue these goals by purchasing participation interests in loans or assessment contracts, including payments of principal of and interest due under such loans or assessment contracts, made by lenders (or capital providers in the case of loans financing or refinancing all

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or a portion of PACE Projects) to businesses and projects (or by capital providers to property owners for PACE Projects relating to such owners' properties), eligible for such assistance under this Subpart and under policies and procedures adopted by the Board from time to time. In furtherance of the Loan Participation Program, the Authority will from time to time enter into loan participation agreements with lenders (or capital providers in the case of loans financing or refinancing PACE Projects) consistent with this Subpart and any policies and procedures adopted by the Board governing such matters as program requirements, the origination of loans and loan participations, the administration and servicing of loans or assessment contracts), and the repurchase by a lender (or capital provider) of the Authority's participation interest in particular loans (or assessment contracts), among other things.

(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.5 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.610 Who May Apply for Financing**

- a) ~~The Act provides that any private institution of higher education may apply to the Authority for the financing of an educational facility. A private institution of higher education is defined to mean any not for profit educational institution which is not owned by the State or any political subdivision, agency, instrumentality, district, or municipality thereof, which is authorized by law to provide a program of education beyond the high school level, and which:~~
- 1) ~~admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;~~
  - 2) ~~provides an educational program for which it awards a bachelor's degree, or provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a post graduate degree, or provides not less than a two year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semi-professional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;~~
  - 3) ~~is an institution that:~~
    - A) ~~is accredited by a nationally recognized accrediting agency or association or, if not so accredited, be an institution whose credits are accepted, on transfer, by not less than three institutions which~~

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~~are so accredited, for credit on the same basis as if transferred from an institution so accredited, and holds an unrevoked certificate or approval from the Board of Higher Education under the Private College Act [110 ILCS 1005/121], or~~

~~B) is qualified and approved as a "degree granting institution" under the Academic Degree Act [110 ILCS 1010]; and~~

~~4) does not discriminate in the admission of students on the basis of race, color or creed.~~

~~b) Subject to the foregoing, the fact that a not for profit educational institution is affiliated with or controlled by a religious order or denomination unless it is a divinity school does not necessarily prevent it from being eligible for Authority financing.~~

~~e) In addition to the foregoing, an academic institution is now deemed to be a private institution of higher education within the meaning of the Act and may also apply to the Authority for financing of an educational facility. An academic institution is defined to be any not for profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district, or municipality thereof, which institution engages in, or facilitates academic, scientific, educational or professional research or learning in a field or fields of study taught at a private institution of higher education. Academic institutions include without limitation, libraries, archives, academic, scientific, educational or professional societies, institutions, associations or foundations. Such institutions do not include any school or institution primarily engaged in religious or sectarian activities.~~

~~d) The Act was recently amended to provide that any cultural institution may apply to the Authority for the financing of a cultural facility. A cultural institution is defined to mean any not for profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State. Cultural institutions include, without limitation, aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies and zoological societies. Cultural institution does not include any institution primarily engaged in religious or sectarian activities.~~

~~e) Secular Projects~~

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- ~~1) Pursuant to decisions by the Illinois Supreme Court and the United States Supreme Court, the Authority may finance a secular project under the Act for a religiously affiliated or controlled private institution of higher education or cultural institution unless that institution is so pervasively religious that a substantial portion of its functions are subsumed in the religious mission. Determination of whether an institution is so pervasively religious as to be disqualified from Authority financing involves a detailed examination of the character and method of operation of the institution. Factors considered by the Authority in making such a determination with respect to a private institution of higher education include, but are not limited to, the following:~~
- ~~A) Whether the institution imposes religious restrictions on the admission of students;~~
  - ~~B) Whether the institution requires attendance of students at religious activities;~~
  - ~~C) Whether the institution requires obedience by students to the doctrines and dogmas of a particular faith;~~
  - ~~D) Whether the institution requires students to attend instruction in the theology or doctrine of a particular faith;~~
  - ~~E) Whether the institution is an integral part of the religious mission of the church sponsoring it;~~
  - ~~F) Whether the institution has as a substantial purpose the inculcation of religious values;~~
  - ~~G) Whether the institution imposes religious restrictions on faculty appointments; and~~
  - ~~H) Whether the institution imposes religious restrictions on what or how the faculty may teach.~~
- ~~2) It is not necessary for an institution to exhibit all, or even a majority, of these characteristics to be considered pervasively religious and, accordingly, to be disqualified from Authority financing. Analogous factors will be considered by the Authority for cultural institutions. Future Illinois or United States Supreme Court cases may require the Authority to~~

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~~modify or refine the above factors or to add additional factors for consideration.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.10 at 31 Ill. Reg. 12104)~~

**Section 1100.620. Policies and Procedures**

From time to time, the Board may approve, amend or repeal policies and procedures governing the administration of the Loan Participation Program. Those policies and procedures may include, without limitation, any one or more of the following matters:

- a) Types of borrowers (or property owners, where applicable) and lenders (or capital providers, where applicable) that may participate in the Loan Participation Program, and criteria that must be satisfied by borrowers or property owners and lenders or capital providers.
- b) Terms of loans in which the Authority may purchase participation interests.
- c) Limitations on the Authority's percentage interest in loans and the principal amount of participation interests to be purchased by the Authority.
- d) Limitations on expenses of servicing any loan in which the Authority purchases a participation interest.
- e) Types of projects to be financed or refinanced by loans in which the Authority may purchase participation interests and types of projects that will not be so financed or refinanced with the Authority's purchase of participation interests.
- f) Standard forms of documentation to be used in connection with the Authority's purchase of participation interests in loans, including without limitation applications, notes or other evidences of indebtedness, loan participation agreements, participation certificates evidencing the Authority's participation interest in loans, security agreements, guaranties, mortgages or other security documents, legal opinions, and the like.
- g) Provisions as to creditworthiness of borrowers and, in the case of PACE Projects, as to market value of properties securing an assessment contract.
- h) Standards for collateral securing any loan in which the Authority is to purchase a participation interest.

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- i) Representations, warranties and certifications to be made or given by lenders or capital providers and/or borrowers or property owners in connection with any loan in which the Authority is to purchase a participation interest.
- j) Provisions applicable to lenders (or capital providers or vendors in the case of loans financing or refinancing PACE Projects, where applicable) making and servicing the loans.
- k) Standards for collateral securing any loan in which the Authority is to purchase a participation interest.
- l) Representations, warranties and certifications to be made or given by lenders or capital providers and/or borrowers or property owners in connection with any loan in which the Authority is to purchase a participation interest.
- m) Provisions applicable to lenders (or capital providers or vendors in the case of loans financing or refinancing PACE Projects, where applicable) making and servicing the loans.

(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.20 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**~~Section 1100.620—Types of Educational and Cultural Facilities that Can Be Financed~~**

- a) ~~The Act broadly defines an educational facility as any property within the State, constructed or acquired before or after the effective date of this Act, which is suitable for the instruction, feeding, recreation or housing of students, the conducting of research or other work of a private institution of higher education, the use by a private institution of higher education in connection with any educational, research or related or incidental activities then being or to be conducted by it, or any combination of the foregoing.~~
- b) ~~The Act also provides specific examples of the types of educational facilities that may be financed, which are as follows: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, fire fighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theatre or utility.~~



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- ~~e) All of these specific examples must, however, fulfill one of the general educational functions quoted above. For example, a hospital which was not primarily a teaching hospital could not be financed under the Act. In addition, it should be noted that divinity school facilities, chapels or other facilities used for sectarian instruction, worship or devotional activities cannot be financed under the Act.~~
- ~~d) The Act broadly defines a cultural facility as any property located within the State constructed or acquired before or after the effective date of this Act which is suitable for the particular purposes of a cultural institution.~~
- ~~e) The Act also provides specific examples of the types of cultural facilities that may be financed, which are as follows: any such property suitable for use as or in connection with any one or more of the following: an administrative facility, aquarium, assembly hall, auditorium, botanical garden, exhibition hall, gallery, greenhouse, library, museum, scientific laboratory, theater or zoological facility, and shall also include, without limitation, books, works of art or music, animal, plant or aquatic life or other items for display, exhibition or performance and buildings on the National Register of Historic Places which are owned or operated by non-profit entities.~~
- ~~f) A cultural facility does not include any property used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship nor any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.20 at 31 Ill. Reg. 12104)~~

**Section 1100.630. Approval of Purchase of Loan Participations.**

- a) Any purchase of a loan participation shall be approved by the Board.
- b) Approval shall be based on the evaluation by Authority staff and the Board of the loan's compliance with criteria established in any policies and procedures approved by the Board, except that the Board may in particular instances waive some or all of those criteria based upon a finding by the Board that the proposed loan and loan participation purchase will accomplish the public purposes of the Act and, where applicable, the PACE Act.

(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.30 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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~~Section 1100.630 Types of Costs that Can Be Financed: Outstanding Debt~~

~~Generally speaking, all costs connected with the acquisition or construction of an educational or cultural facility can be financed through an Authority bond issue, including the costs of refunding or refinancing debt previously incurred by a private institution of higher education or a cultural institution to finance an educational or cultural facility and the costs of remodeling or adding to an existing facility. Equipment to be used in an educational or cultural facility may also be financed.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.30 at 31 Ill. Reg. 12104)~~

~~Section 1100.640 Application Guidelines~~

- ~~a) Introduction. Each applicant institution is encouraged to review the following procedures incident to the preparation of any application for assistance.~~
- ~~b) Pre-filing Stage. Prior to the preparation or submission of any application for assistance, each institution is requested to contact the Authority's Executive Director. The Executive Director will arrange for a meeting, or meetings, with the institution and the Authority's Executive Director, financial advisor, and bond counsel. The purpose of these meetings is two-fold:
  - ~~1) A preliminary evaluation of the proposed project by the institution and the Authority's staff in order to determine, in the first instance, whether or not an application should be submitted to the Authority for its consideration. (In the event that it is the opinion of the Authority's staff that an application should not be prepared and submitted, this recommendation will be rendered to the Authority for its consideration prior to any further work with respect to the proposed project); and~~
  - ~~2) Where prior Authority authorization is not deemed necessary, the Authority staff shall at once assist the institution in the development of its application for the Authority's information and review. Additionally, the financial advisor will prepare an initial financial advisory review for the Authority's consideration. (This initial review consists of a description of the proposed project and a description of the economic background of the applicant institution.)~~~~
- ~~e) Filing and Acceptance of Application~~

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- ~~1) Once the application is completed the application will be filed with the Authority. (The applicant institution is to submit its application fee with the application.)~~
- ~~2) The Authority's Executive Director will submit this filed application to the Authority for its consideration at its next meeting once the financial advisor's initial financial review is completed.~~
- ~~3) At the meeting referred to above, the Authority will determine if it will accept the submitted application. In reaching this conclusion, the Authority will consider:
  - ~~A) the application itself;~~
  - ~~B) comments and presentations by representatives of the applicant institution;~~
  - ~~C) the financial advisor's initial review; and~~
  - ~~D) additional observations by the Authority's Executive Director and bond counsel.~~~~
- ~~4) If the Authority accepts the application, it will authorize the following tasks:
  - ~~A) Bond counsel will be directed to undertake a preliminary investigation of legal feasibility of the project. (This investigation will not consist, however, in the preparation or drafting of documents incident to the proposed issue itself; rather, this study will address itself to an appraisal of the appropriations and needs of the issue itself); and~~
  - ~~B) Financial advisor will be directed to prepare a detailed financial study of the proposed application. Upon completion of this study, the financial advisor will submit to the Authority its specific recommendation or recommendations.~~~~
- ~~5) Upon acceptance of the application by the Authority, the application fee shall be deemed non-refundable and shall be deposited by the Authority.~~
- ~~6) Neither the work of the bond counsel or financial advisor, with respect to a given project, is paid by the Authority. In the event that the proposed~~

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~~project does not come to issue, the applicant institution shall pay both the financial advisor and bond counsel their reasonable fees incurred for all work so performed on behalf of the institution subsequent to the Authority's acceptance of the application. It shall be the duty of the institution and the financial advisor and bond counsel, respectively, to determine and agree upon the reasonableness of fees involved.~~

~~d) Approval of Application~~

- ~~1) The Authority will decide whether or not to approve an accepted application once the financial advisor and bond counsel have completed their reviews of the project.~~
- ~~2) If the accepted application is approved, the financial advisor, Executive Director, and bond counsel will be authorized and directed to prepare all documents and showings necessary and incident to issuance of bonds for the applicant institution.~~
- ~~3) "Approval" of an application by the Authority is not, nor should be, construed as any form of a commitment or guarantee, on the part of the Authority to the applicant institution that the proposed financing will be successfully completed and sold. Rather, approval of an application indicates the Authority's desire to work with the applicant in the attempt to bring its issue to sale.~~
- ~~4) In the event that the applicant institution's issue is sold, the applicant institution shall reimburse the financial advisor and bond counsel for their services rendered in accordance with compensation schedules approved by the Authority. Such costs may be funded out of bond proceeds. Such schedules are available upon request from the Executive Director. Further, in the event that the applicant institution's issue is sold, the applicant institution shall be obligated to pay the Authority the Administrative Charge and Annual Fee referred to on page 2 of the Application Form.~~

~~(Source: Recodified from 23 Ill. Adm. Code 2320.5, 2320.10, 2320.20 and 2320.30 at 31 Ill. Reg. 12104)~~

~~**Section 1100.650 Interest Rate on the Authority's Bonds**~~

~~There is no legal limit on the interest rate for the Authority's Bonds under this Subpart. As a matter of policy, however, the Authority may decide in certain cases to limit the rate for a~~

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~~particular Bond issue, after consulting with its financial advisor and the institution which is applying for financing.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.40 at 31 Ill. Reg. 12104)~~

~~**Section 1100.660 Method of Financing**~~

~~Three methods of financing are now available:~~

- ~~a) — Lease Method. Under this method the Authority acquires title to the educational or cultural facility to be financed, issues bonds to finance its cost and leases the facility to the participating institution under a lease with a term equal to the final maturity of the Authority's bonds and with rental equal to principal and interest on the bonds. At the end of the lease term, the Authority is required to reconvey title to the facility to the participating institution.~~
- ~~b) — Ground Lease Method. This method, which the Authority does not encourage, is a variant on the Lease Method. Here the participating institution retains title to the facility and leases it to the Authority for a nominal rental with a Sublease back to the participating institution for a term equal to the maturity of the bonds and at rentals equal to principal and interest. A mortgage of the facility by the Authority is possible under both these Methods (subject, of course, to the rights of the participating institution under the Lease or Sublease) and may be recommended in some instances to reduce interest costs. Both of these Methods also contemplate that the participating institution will guaranty the bonds.~~
- ~~c) — Secured Note Pass Through Method. Under this Method the participating institution issues a secured note to the Authority, secured by a first mortgage lien on the facility to be financed or by a first mortgage lien on or security interest in other real or personal property acceptable to the Authority. The determination of what real or personal property is acceptable to the Authority for security purposes in each instance is based on a variety of factors that include, but are not limited to, the following: the credit worthiness of the participating institution; the requirements of the particular market in which the related bonds are proposed to be offered for sale; the preferences of the participating institution, including the availability to it of various types of real and personal property for use as collateral; the requirements or suggestions of any rating agency that is providing a rating of the related bonds; and the legality of the proposed collateral structure, particularly insofar as it relates to the federal tax exempt status of interest on the related bonds. In reviewing the foregoing factors and determining the~~

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~~acceptability of a proposed security arrangement, the Authority relies to a significant extent upon advice provided by its financial advisor, insofar as financial matters are concerned, and its bond counsel, insofar as legal matters are concerned. The Authority, in turn, issues its own bonds to purchase the participating institution's note and pledges it as security for those bonds. Here, again, title to the facility never leaves the participating institution unless, of course, the participating institution defaults in payment.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.50 at 31 Ill. Reg. 12104)~~

~~**Section 1100.670 Length of Bond Issue**~~

~~The Act limits the life of an Authority bond issue under this Subpart to 40 years. The Authority will, in consultation with its fiscal advisor and the applying institution, determine the length of any given issue.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.60 at 31 Ill. Reg. 12104)~~

~~**Section 1100.680 Type of Bond Issue**~~

~~The Act permits bonds under this Subpart to be sold at a private or public sale and the method to be followed will be determined on a case by case basis.~~

~~(Source: Amended at 11 Ill. Reg. 9106, effective April 28, 1987; recodified from 23 Ill. Adm. Code 2310.70 at 31 Ill. Reg. 12104)~~

~~**Section 1100.690 Fees**~~

~~a) The Authority charges the following fees to participating institutions for the services it provides:~~

~~1) Application Fee for processing an Application for Assistance. An "Application Fee", based upon the following schedule, is payable upon submission of an application and is not refundable:~~

~~A) \$250 on issues up to but not including \$1,000,000 principal amount;~~

~~B) \$500 on issues of \$1,000,000 up to but not including \$5,000,000 principal amount; and~~

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~~C) — \$1,000 on issues of \$5,000,000 principal amount and over.~~

~~AGENCY NOTE: This fee will be credited to the Administrative Charge upon completion of the related bond financing.~~

~~2) — Administrative Charge — for completing a bond financing. — An "Administrative Charge" equal to  $\frac{1}{4}$  of 1% of the principal amount of bonds issued or \$10,000, whichever is less minus the Application Fee paid, will be assessed at the closing of a financing.~~

~~AGENCY NOTE: The Administrative Charge includes the Annual Fee for the fiscal year in which the bonds are issued.~~

~~3) — Annual Fee — for servicing a bond financing during a fiscal year. — An "Annual Fee" will be assessed for each bond issue outstanding on July 1 of each year. For Annual Fees coming due on or after July 1, 1999, the Annual Fee shall be  $\frac{1}{100}$  of 1% of the original amount of the financing or \$7,500, whichever is less. The Annual Fee is payable in advance and is not refundable. (The Annual Fee coming due on July 1, 2003 shall be abated based on the Authority's projection of having sufficient reserves to meet its operating expenses for Fiscal Year 2003-2004.)~~

~~b) — These fees are designed to cover the operating expenses of the Authority. In addition, the participating institutions will be expected to bear all other costs of the financing, including trustee's fees, printing expenses, the financial advisor's fee, and the fee and disbursements of bond counsel. These fees may be financed with bond proceeds.~~

~~(Source: Amended at 27 Ill. Reg. 10224, effective June 27, 2003; recodified from 23 Ill. Adm. Code 2310.80 at 31 Ill. Reg. 12104)~~

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## SUBPART G: ILLINOIS FARM DEVELOPMENT PROGRAM

**Section 1100.700. Definitions**

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific different~~ definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Affiliate" means, with respect to any lender, any person, firm or corporation controlled by, or under common control with, such lender, and any person, firm or corporation controlling such lender. (Section 801-10 of the Act)

"Agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State of Illinois that is related to the processing of agricultural commodities (including without limitation, the products of aquaculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural building, structure, equipment, implements, and supplies or any other facilities or processes used in agricultural production. Agribusiness includes but is not limited to the following:

grain handling and processing, including grain storage, drying, treatment, conditioning, milling and packaging;

seed and feed grain development and processing;

fruit and vegetable processing, including preparation, canning and packaging;

processing of livestock and livestock products, dairy products, poultry and poultry products, fish or apiarian products, including slaughter, shearing, collecting, preparation, canning and packaging;

fertilizer and agricultural chemical manufacturing, processing, application and supplying;

farm machinery, equipment and implement manufacturing and supplying;

manufacturing and supplying of agricultural commodity processing machinery and equipment, including machinery and equipment used in slaughter, treatment, handling, collecting, preparation, canning or packaging of agricultural commodities;



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farm building and farm structure manufacturing, construction and supplying;

construction, manufacturing, implementation, supplying or servicing of irrigation, drainage and soil and water conservation devices or equipment;

fuel processing and development facilities that produce fuel from agricultural commodities or by-products;

facilities and equipment for processing and packaging agricultural commodities specifically for export;

facilities and equipment for forestry product processing and supplying, including sawmilling operations, wood chip operations, timber harvesting operations, and manufacturing of prefabricated buildings, paper, furniture or other goods from forestry products;

facilities and equipment for research and development of products, processes and equipment for the production, processing, preparation or packaging of agricultural commodities and by-products. (Section 801-10 of the Act)

"Agricultural Facility" means land, any building or other improvement thereon or thereto, and any personal properties deemed necessary or suitable for use, whether or not now in existence, in farming, ranching, the production of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the treating, processing or storing of such agricultural commodities when such activities are customarily engaged in by farmers as a part of farming. (Section 801-10 of the Act)

"Agricultural Improvements" means any improvements, buildings, structures or fixtures suitable for use in farming which are located on agricultural land.

"Agricultural Land" means land suitable for use in farming and which is or will be operated as a farm.

"Depreciable Agricultural Property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the [Tax Internal Revenue Code](#) (26 USC 1-9042). Examples include but are not limited to the following: breeding livestock and poultry, farm machinery, trucks, etc. Feeder livestock, seed, feed, and fertilizer do not qualify as depreciable agricultural property.

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"Lender" means any federal or State chartered bank, Federal Land Bank, Production Credit Association, Bank for Cooperatives, federal or State chartered savings and loan association or building and loan association, Small Business Investment Company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies. "Lender" also means a wholly owned subsidiary of a manufacturer, seller or distributor of goods or services that makes loans to businesses or individuals, commonly known as a "captive finance company". (Section 801-10 of the Act)

"Soil or Water Conservation District" means a public body corporate and politic, organized in accordance with the Soil and Water Conservation Districts Act. [70 ILCS 405/3.01]

(Source: Amended at 13 Ill. Reg. 14376, effective August 30, 1989; recodified from 8 Ill. Adm. Code 1400.10 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.705. Rules and Guidelines Applicable to Bond Programs under this Subpart**

- a) General Description of Programs. The bond programs are intended to allow farmers to obtain lower interest rate loans for qualified purposes by obtaining loan funds from the proceeds of a tax-free bond issued by the Authority. The Authority shall establish, from time to time, particular bond programs to implement the policies and purposes of the Act. The Authority may modify or discontinue any such program, in a manner consistent with this Part, if it determines that the public interest would be served by so doing.
- b) Applicant Eligibility
  - 1) Unless otherwise provided in this Part, the eligible ~~applicant~~ Applicant must be a permanent resident of Illinois at the time the bond is issued.
  - 2) The land and improvements or depreciable farm property the ~~applicant~~ Applicant proposes to purchase will be located within Illinois.
  - 3) The ~~applicant~~ Applicant must be at least 18 years of age at the time of application.
  - 4) The ~~applicant~~ Applicant may be required to document to the satisfaction of the lender and the Authority, sufficient education, training or experience in the type of ~~project~~ Project for which the loan is sought.

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- 5) If the loan is sought for the acquisition of land, the ~~applicant~~ Applicant may be required to document, to the satisfaction of the lender, that he or she will have access to adequate working capital, farm equipment, machinery or livestock. If the loan is sought for acquisition of depreciable agricultural property, the ~~applicant~~ Applicant should document access to adequate working capital or agricultural land.
  - 6) The Authority may, from time to time, and through formal rulemaking procedures, establish rules requiring that a determination be made that the ~~applicant~~ Applicant is unable to secure financing from nongovernmental sources upon terms and conditions which the ~~applicant~~ Applicant reasonably could be expected to fulfill.
  - 7) The land and improvements which are financed by the loan made by the Authority must be used by the ~~applicant~~ Applicant. Any improvements or depreciable property which is to become a fixture or an integral part of real estate may be financed by the Authority only if the ~~applicant~~ Applicant owns or leases the real estate on which it is to be located.
  - 8) The ~~applicant~~ Applicant must state the particular program for which he or she is applying and must satisfy all the eligibility requirements of that program.
- c) Qualified Purposes
- 1) Eligible loan activities under all programs consist of financing purchases of depreciable property or real estate, and powers granted in Article 830 of the Act.
  - 2) Ineligible loan activities under all programs consist of the following:
    - A) Refinancing an existing debt incurred by the ~~applicant~~ Applicant.
    - B) Financing working capital to purchase feed, seed, fertilizer, fuel, feeder cattle, pigs, lambs, etc.
    - C) Financing the previously commenced acquisition or construction of any part of the ~~project~~ Project for which the loan is sought if such commencement by the ~~applicant~~ Applicant or any related person occurred more than 60 days prior to the Authority's action on the application and sale of bond to finance the loan. This prohibition includes, but is not limited to, entering into a contract

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or purchase agreement, installment or otherwise, in connection with the construction of the ~~project~~Project or any part thereof, or off-site fabrication or acquisition of any portion of the ~~project~~Project. This prohibition does not apply, however, if such contract or purchase order, for example, states that the purchase is subject to the approval of the Authority, the risk of loss remains with the seller and the Authority's approval is obtained prior to the ~~applicant~~Applicant taking possession of the property.

- d) Participating Lenders. Any bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any State or federal governmental agency or instrumentality, or any other financial institution or entity authorized to make mortgage loans or secured loans in this State may be a participating lender. A financial institution may become a participating lender at any time.
- e) Application Procedures and Review
  - 1) The farmer may apply (on forms approved by the Authority) for an Authority loan with any participating lender. Any loan approved will be assigned to that Participating lender. Authority loan eligibility is determined by the requirements of the Act and this Part. If a farmer meets the loan eligibility requirements, the decision on whether to enter into the loan agreement is between the farmer and the participating lender. They must agree on terms of the loan such as interest rates, length of loan, down payment, service fees, origination charges, and repayment schedule, which may not be any more onerous than that charged to similar customers for similar loans, but taking into account the tax exempt nature of interest on the loan.
  - 2) Following completion of the loan ~~application~~Application by the farmer and approval by the participating lender, the loan application must be submitted to the Authority for its review and approval. The Authority's review will include, but not be limited to whether the loan ~~applicant~~Applicant is an eligible farmer, the loan proceeds will be used for a qualified purpose under the Act and this Part and the Internal Revenue Code and IRS regulations relating to industrial development revenue bonds, and the terms of the loan comply with this Part.
  - 3) When a loan application is submitted to the Authority, the Executive Director shall review the loan application to determine whether it is

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complete, and whether the criteria established by the Act and this Part have been satisfied.

- A) If the Executive Director determines that the loan application is incomplete, he or she shall, within five days after such determination, inform the ~~applicant~~ Applicant and the participating lender of such determination, and shall detail the information or material which is necessary to complete the application. For the purposes of subsection (g) of this Section, no application shall be deemed complete until the ~~applicant~~ Applicant or participating lender has provided additional information or material as requested by the Executive Director.
  - B) When the Executive Director has completed his or her review of the loan application, he or she shall present the loan application, with a statement of recommended action, to the Board at its next regularly scheduled meeting.
- 4) The Board shall review each loan application presented by the Executive Director in accordance with the provisions of the Act and this Part, and the Board shall:
- A) approve the loan and issue the bond, pursuant to the Act and this Part; or
  - B) deny the application and serve upon the ~~applicant~~ Applicant and participating lender a written statement of the grounds for the denial.
- 5) Within 21 days after of a denial, the ~~applicant~~ Applicant and the participating lender may file with the Authority a Request for Reconsideration, stating reasons why the Board should withdraw its denial of the application and approve the loan. The Request for Reconsideration may be accompanied by supporting documents and information not previously considered by the Board. The Board shall review the Request for Reconsideration within 45 days after receiving it, and shall either approve the loan and issue the bond, or deny the Request for Reconsideration. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the application that is the subject of the Request for Reconsideration shall be deemed complete for the purposes of subsection (g) of this Section.

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- f) Source of Payment and Nature of Obligation. The principal and interest on the bond is a limited obligation payable solely out of the revenues derived from the loan to the farmer and the underlying collateral or other security furnished by or on behalf of the farmer. The participating lender shall have no other recourse against the Authority. The principal and interest on the bond does not constitute an indebtedness of the Authority or a charge against its general credit or general fund.
- g) Priority of Applications. Applications ~~shall~~will be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed documents by the Authority. The Authority may deviate from the first-come, first-served rule to the extent necessary to comply with federal income tax laws and regulations, to fully utilize the proceeds of any series of bonds or allocations of bond proceeds to participating lenders, or to meet emergency needs of farmers as determined from time to time by appropriate resolution of the Authority.
- h) Post Issuance Certification. No bond proceeds may be used for a nonqualified purpose or by a noneligible user. Following disbursement of the bond proceeds, the participating lender and farmer ~~shall~~must certify to the Authority that the proceeds were used by an eligible farmer for a qualified purpose.
- i) Assumption of Loans, Substitution of Collateral and Transfer of Property. Loans may not be assumed without the prior approval of the Authority, and then only if the purchaser of the property is an eligible ~~applicant~~Applicant for an Authority loan. Equipment and other depreciable property may be exchanged or traded in for similar property, and other property such as breeding livestock may be added or substituted as collateral at the discretion of the lender without the prior approval of the Authority. The benefits of the loan made at the tax-free rate from the proceeds of an Authority bond must remain with the qualified farmer, and no person to whom property is traded or otherwise transferred may obtain the benefits of the Authority loan.
- j) Right to Audit. The Authority shall have at any time the right to audit the records of the participating lender and the farmer relating to this loan and bond and ensure that bond proceeds were used for qualified purpose by a qualified user.

(Source: Amended at 24 Ill. Reg. 16656, effective October 24, 2000; recodified from 8 Ill. Adm. Code 1400.130 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

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**Section 1100.710 Bond Programs and Rules Applicable to Each**

## a) Beginning Farmer Bond and Contract Bond Programs

1) Purpose. The purpose of the Beginning Farmer Bond and Contract Bond Programs is to provide affordable financing to new, low net worth farmers for financing capital purchases. ~~IFA—The Authority~~ works with the ~~applicant's—Applicant's~~ local lender or contract seller to provide this financing. ~~IFA—The Authority~~ issues a tax-exempt bond for the amount and with the terms of the loan. Because the interest income to the lender or contract seller is exempt from federal income tax, the lender or contract seller is able to charge a lower rate to the ~~applicant~~Applicant. The loan and the bond are secured solely by the collateral required by the lender or contract seller and are not obligations of ~~IFA—the Authority~~ or of the State of Illinois. Because the lender or contract seller assumes all credit risk, the lender or contract seller makes all credit decisions.

## 2) Eligible Applicants

A) The ~~applicant—Applicant~~ must have net worth at the time of application of not more than \$250,000 at the time of application not in excess of the maximum amount set forth in Section 830-20 of the Act. Net worth means total assets less total liabilities of the individual and the individual's spouse and minor children, if any.

i) Total assets shall include, but not be limited to, the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities (not readily marketable); accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and all other assets. [20 ILCS 3501/801-10] Total assets shall not include items used for personal, family or household purposes by the ~~applicant~~Applicant, but in no event shall such property be excluded to the extent that a deduction for depreciation is allowable for federal income tax purposes. All assets ~~shall~~ must be valued at fair market value by the participating lender. Such value shall be what a willing buyer would pay

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a willing seller in the locality. A deduction of ten percent may be made from fair market value of farm and other real estate.

- ii) Total liabilities shall include, but not be limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and all other liabilities. [20 ILCS 3501/801-10]
- B) The ~~applicant~~ Applicant must be an individual, ~~and~~ not a corporation, partnership, trust, or any other legal entity.
- C) The ~~applicant~~ Applicant must be the sole owner and principal user of the ~~project~~ Project.
- D) The ~~applicant~~ Applicant must not have had any prior direct or indirect ownership interest in ~~a substantial amount of land~~ substantial farmland. For purposes of this rule, substantial farmland shall be a substantial amount of land is a parcel that exceeds 30% of the median farm size in the county in which the land is located, or which had at any time during ownership a fair market value in excess of \$125,000 as defined in Section 147(c)(2)(E) of the Tax Code (26 U.S.C. §147); this amount may change periodically.
- E) An individual with prior ownership of land may still be eligible if the individual did not participate in the operation of the farm. Ownership or material participation by an individual's spouse or minor child ~~shall~~ must be treated as ownership or material participation by an individual.
- 3) Loan Amount. The maximum loan amount shall be the maximum amount permitted by federal law pursuant to Section 147(c)(2) of the Tax Code (26 U.S.C. §147) is \$250,000 per person. For calendar year 2020, the maximum amount permitted by federal law for this purpose is \$552,500; this amount may change periodically.
- 4) Eligible Purchases. Loan proceeds may be used for the following capital purchases only:



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- A) Land located in the State of Illinois that is suitable for use in farming and that is or will be operated as a farm.
- B) Agricultural Improvements. Any improvements, buildings, structures or fixtures suitable for use in farming that are located on agricultural land. ~~IFA-The Authority~~ will finance the purchase of new improvements on agricultural land. ~~IFA-The Authority~~ can finance used agricultural improvements only in situations in which:
- i) the improvements are purchased in conjunction with agricultural land and used in the operation of a farm to be operated on the agricultural land being purchased; or
  - ii) a sufficient amount of qualified rehabilitation expenditures are incurred by the ~~borrower~~ Borrower with respect to the agricultural improvements within two years from the date of the issue of the bond.
- C) Depreciable Agricultural Property. Personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the ~~Tax~~ Internal Revenue Code. Examples include, but are not limited to, farm machinery and trucks. Feeder livestock, seed, feed, fertilizer, and other types of inventory or supplies do not qualify as depreciable agricultural property. ~~IFA-The Authority~~ will finance the purchase of any new depreciable agricultural property. ~~IFA-The Authority~~ can also finance used depreciable agricultural property if it is purchased in conjunction with agricultural land and used in the operation of a farm to be operated on the agricultural land being purchased. The total loan proceeds allocated to the purchase price of used equipment may not exceed \$62,500.
- D) No portion of the loan proceeds may be used for the purchase of a residence. If the ~~project~~ Project includes a residence, the ~~applicant~~ Applicant must make a down payment or obtain conventional financing for the value of the residence.
- 5) Purchase from Related Persons. The IRS states that the following, among others, are deemed to be “related persons” of any individual: grandfather, grandmother, father, mother, brother, sister (whether whole or half blood), child grandchild, or spouse. In addition, a partnership and each of its

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partners (and their spouses and minor children) are related persons, as are an S corporation and each of its shareholders (and their spouses and minor children). Related persons also include certain related corporations and partnerships. It should be pointed out that the foregoing list is not all-inclusive. There are certain other entities and individuals that could also be considered related persons. It should also be noted that certain individuals are not related persons. For example, an uncle, aunt, nephew, niece, brother-in-law or sister-in-law would not be treated as a related person. IFA loan Loan proceeds of loans from the Authority may be used to purchase property from a related person in some circumstances:

- A) The Beginning Farmer Bond Program may be used to purchase eligible property from a related person if the following conditions are met:
- i) The ~~applicant~~ Applicant must certify and provide supporting documentation that the purchase price of the ~~project~~ Project is equal to the market value of the ~~project~~ Project.
  - ii) The ~~applicant~~ Applicant must certify that the seller will have no continuing financial interest in the ~~project~~ Project and will not be a principal user of the ~~project~~ Project, and will have no other direct or indirect ownership or use of the ~~project~~ Project.
- B) The Beginning Farmer Contract Bond Program may never be used to purchase property from a related person.
- 6) Security for the Loan. To facilitate the making of the loan, the Lender Loan Agreement or Contract Seller Agreement provides that the lender or contract seller will act as agent and fiduciary for ~~IFA the Authority~~ in connection with the loan. The principal and interest of the bond are payable solely out of the revenue derived from the Borrower's Promissory Note, which is secured by collateral furnished by the ~~borrower~~ Borrower. Please note that cash and cash equivalents may not be used as collateral. The bond that is issued by ~~IFA the Authority~~ and purchased by the lender or contract seller is a non-recourse obligation. The principal and interest on the bond do not constitute an indebtedness of ~~IFA the Authority~~ or a charge against its general credit or general fund.

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- 7) Fees. The Authority charges a non-refundable ~~application fee~~ Application Fee of \$100 that must be submitted with the application. There is also a closing fee of one and one-half percent of the loan amount, less the \$100 ~~application fee~~ Application Fee, due when the loan is closed. The lender under the Beginning Farmer Bond Program may charge a closing fee of up to one-half of one percent of the loan amount. No other fees may be charged. However, the lender may pass on to the ~~borrower~~ Borrower any recording or filing fees associated with the loan. The contract seller under the Beginning Farmer Contract Bond Program may charge no fees. However, the contract seller may pass on to the ~~borrower~~ Borrower any recording or filing fees associated with the loan.
- 8) This program takes effect upon adoption pursuant to this Part.
- b) Agricultural Manufacturing Bond Program
- 1) Purpose. This program is designed to encourage the development and expansion of agribusiness manufacturing operations in Illinois. The intention of this program is to enhance economic growth in Illinois by creating and saving jobs in the rural areas of the State.
- 2) Eligibility Requirements Particular to the Agricultural Manufacturing Bond Program.
- A) The ~~applicant~~ Applicant must be an agribusiness as defined in the Act and in Section 1100.700 of this Part. The ~~applicant~~ Applicant must also be a “manufacturing facility” as defined in section 144(a)(12)(C) of the ~~Tax~~ Internal Revenue Code ~~of 1986~~. This means any facility which is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property).
- B) The ~~applicant~~ Applicant, including all affiliates and subsidiaries, must have no more than 100 employees at the time of application or have had gross income of no more than \$2 million for the calendar year preceding the date of application. “Gross income” for this purpose means the amount of gross income properly reportable for federal income tax purposes for the taxable year under the provisions of the ~~Tax~~ Internal Revenue Code.
- C) The ~~IFA shall~~ Authority must waive the requirements of subsection (b)(2)(B) for any Agricultural Manufacturing Facility

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which at the time of application does not operate a facility within the State of Illinois.

- 3) The amount of a loan authorized herein to any agricultural manufacturing facility shall be limited by section 144(a)(4)(A) of the ~~Tax~~Internal Revenue Code with respect to the issuance of small issue industrial development bonds. In no event ~~shall~~may any loan to any one agricultural manufacturing facility exceed \$10 million.
- 4) Issuance of Bond. Following approval of the loan, the Authority shall issue a bond, in the amount of and fitting the terms of the loan, to be purchased by the participating lender.
- 5) This program takes effect upon adoption pursuant to this Part.
- 6) The ~~applicant~~Applicant must pay a \$100 fee at the time of application.

(Source: Amended at 26 Ill. Reg. 7084, effective May 10, 2002; recodified from 8 Ill. Adm. Code 1400.140 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.715. Rules and Guidelines Applicable to the Interest Buy Down Program**

- a) General Description of Program
  - 1) The Interest Buy Down Program (IBD), which is used in conjunction with the State Guarantee Program for Restructuring Agricultural Debt (SGP), is designed to subsidize the interest cost on loans made to pork producers.
  - 2) The State shall pay a portion of the interest on qualifying loans under the SGP:
    - A) The maximum principal amount on which the State will pay interest is \$100,000.
    - B) The State will pay the interest calculated at a rate of 2.0% up to the maximum principal amount.
    - C) Payments will be made to the Lender annually.

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## b) Definitions

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific different~~ definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Applicant" means a hog farmer whose application for an Interest Buy Down in conjunction with a State Guarantee for Restructuring Agricultural Debt has been submitted to the Authority by a lender.

"Fund" means the General Revenue Fund, which will be used for Interest Buy Down payments.

"IBD" is a payment from the State of Illinois to the lender of a portion of the ~~borrower's~~ Borrower's interest on a loan.

"Loan" is a loan made under the State Guarantee Program for Restructuring Agricultural Debt for which the State of Illinois is providing an Interest Buy Down.

c) Eligible Farmers. To qualify for participation in the IBD, the ~~applicant~~ Applicant must:

- 1) be a resident of Illinois;
- 2) be a principal operator of a farm that produces hogs;
- 3) derive at least 50% of annual gross income from farming;
- 4) have a net worth of at least \$10,000;
- 5) meet all other requirements of the State Guarantee Program for Restructuring Agricultural Debt as defined in Section 1100.725 of this Part.

## d) Eligible Lenders. To qualify for participation in the IBD, the Lender must:

- 1) agree to fix the interest rate on the loan for at least five years;
- 2) agree not to penalize Borrower on account of receipt of an IBD from the State after the applicable anniversary date of the loan.

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- e) Limitations
  - 1) The IBD shall last for five years. However, depending on the collateral, the loan may have a maturity of more than five years.
  - 2) The IBD shall be allowed on a maximum of \$100,000 of the loan balance.
  - 3) The IBD shall be available until the earlier of June 30, 1999 or when \$50 million of loans have been approved.
- f) Application Procedures and Review
  - 1) Lenders shall apply for the Interest Buy Down in conjunction with an application for the State Guarantee for Restructuring Agricultural Debt on forms provided by the Authority and shall certify that the application and any other documents submitted are true and correct. Applications shall be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed application documents by the Authority.
  - 2) Review of applications and the approval process shall be in accordance with Section 1100.725 of this Part.
  - 3) Upon approval of an application and receipt of the documentation necessary to prepare closing documents for the loan, a closing documents package, which includes the document to execute for the IBD, shall be prepared by the Authority and sent to the lender. Upon completion of all such forms and documents by the ~~applicant~~Applicant, lender and Authority and after satisfaction of all closing requirements for the loan, the Interest Buy Down will be in effect.
- g) Payment of Interest Buy Down to Lender. After the Borrower makes his or her anniversary payment, the Lender shall notify the Authority of the amount due on the IBD. The Authority shall direct payment to the Lender from the Fund.

(Source: Added at 23 Ill. Reg. 11703, effective September 3, 1999; recodified from 8 Ill. Adm. Code 1400.145 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.720. Rules and Guidelines Applicable to the Young Farmer Guarantee Program**

- a) General Description of Program. The Young Farmer Guarantee Program (YFG) is designed to enhance credit availability to younger farmers who are purchasing

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capital assets. Loan funds may be used for new purchases of capital assets such as land, buildings, machinery, equipment, breeding livestock, soil and water conservation projects, etc. In some cases, loan proceeds may be used to refinance existing debt as needed to improve lien positions or improve financial structure. The provisions of this Section are applicable only to the YFG.

## b) Definitions

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific~~ different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Applicant" means a farmer whose application for a Young Farmer Guarantee has been submitted to the Authority by a lender.

"Asset" includes, but is not limited to, the following: crops or feed on hand; livestock held for sale; breeding stock; cash; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interest in trusts; government payments or grants; capitalized leases; retirement accounts and all other assets. [20 ILCS 3501/801-10(aa)]

"Debt to Asset Ratio" means total outstanding liabilities, including any debt to be financed or refinanced under this Section, divided by total outstanding assets. [20 ILCS 3501/830-45(a)]

~~"Fund"~~ "Funds" means the Illinois Agricultural Loan Guarantee Fund, the Illinois Farmer and Agribusiness Loan Guarantee Fund, and the Industrial Project Insurance Fund (see 20 ILCS 3501/830-35(c)), which ~~is the State's fund~~ are the funds which may be used to cover losses resulting from defaults on ~~young farmer guarantee~~ YFG loans.

"Gross Annual Income" means income as defined in ~~Tax~~ Section 61 of the Internal Revenue Code (26 USC 61).

"Liability" includes, but is not limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; indebtedness under capitalized leases; and all any other liabilities. [20 ILCS 3501/801-10(bb)]

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"YFG Loan" means an installment note for which the State of Illinois shall be liable for 85% of the total principal and interest as determined by the Authority.

"Young Farmer" means a resident of Illinois who is at least 18 years of age, who is a principal operator of a farm or land, who derives or will derive at least 50% of gross annual income from farming, who has a net worth of not less than \$10,000 and whose debt to asset ratio is not less than 40%. [20 ILCS 3501/830-45(a)]

- c) Eligible Farmers. To qualify for participation in the YFG, each farmer must:
- 1) be at least 18 years of age and maintain his or her principal residence in the State [20 ILCS 3501/830-45(a)];
  - 2) be the principal operator of a farm who derives or will derive at least 50% of annual gross income from farming [20 ILCS 3501/830-45(a)];
  - 3) have a debt to asset ratio of not less than 40% and not greater than 70% after purchase of the capital item and have a net worth of not less than \$10,000 [20 ILCS 3501/830-45(a)];
  - 4) demonstrate the ability to adequately service the proposed debt. If this ability is not adequately demonstrated, he or she can have a guarantor sign the note with him or her and/or pledge additional collateral for the loan;
  - 5) provide sufficient collateral to secure the YFG loan and agree to keep it adequately collateralized in the future. All real estate and depreciable property which is to be used as collateral on a YFG loan must be evaluated by ~~IFA~~-staff of the Authority or appraised by a qualified appraiser. All real estate appraisals must meet federal regulatory requirements and meet the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. Auctioneers and machinery and equipment dealers are qualified to appraise depreciable property. The ~~applicant~~-Applicant is liable for all appraisal fees connected with the YFG Loan;
  - 6) certify that all of his or her debts will be current at the time the YFG loan is closed. (See 20 ILCS 3501/830-45.)
- d) Limitations
- 1) YFG loans shall not exceed \$500,000 per young farmer. A young farmer may use this program more than once provided the aggregated principal



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amount of YFG loans to that young farmer does not exceed \$500,000. [20 ILCS 3501/830-45(a)]

- 2) Each YFG loan shall be set up on a payment schedule not to exceed 30 years, but shall be no longer than 15 years in duration. [20 ILCS 3501/830-45(a)] The payment schedule for the loan will be tailored to the ~~applicant's~~ Applicant's collateral and cash flow. Real estate loans may be amortized up to 25 years with a 15 year balloon. Loans with depreciable property as collateral will be amortized over a shorter period.
  - 3) The YFG loan can be fully or partially paid at any time while the loan is outstanding as long as the loan is held in the lender's portfolio and not sold into a secondary market. YFG loans may not be assumed.
- e) Application Procedures and Review
- 1) Lenders shall apply for the YFG loans on forms provided by the Authority. The application shall at a minimum contain the young farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State guarantee. [20 ILCS 3501/830-45(a)] Applications shall be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed documents by the Authority.
  - 2) Lenders shall certify that the application and any other documents submitted are true and correct. [20 ILCS 3501/830-45]
  - 3) ~~Each applicant shall pay a~~ The Authority may charge each Applicant (i) an application fee to be submitted to the Authority at the time a Borrower's Application is filed, and (ii) a program administrative fee to be paid by the Borrower to the Authority at the time a financing is closed, provided that the amount of the application fee shall be credited against the amount of the program administrative fee due from the Borrower. The Authority may by resolution adopted from time to time fix and change the amounts of such fees. [20 ILCS 3501/801-40(j)] As of January 1, 2019 and until changed by resolution of the Authority, the application fee shall be \$300 ~~application fee which will be submitted to the Authority at the time of the application. At the time the loan is closed, the applicant will be required to pay a closing fee of 1% of the YFG loan amount less the \$300 application fee. Of this 1% closing fee, the Authority shall receive ¾ % and the lender~~

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~~shall receive ¼ % 300 and the program administrative fee shall be equal to 1.25% of the YFG loan amount. Of the program administrative fee, an amount equal to 0.25% of the YFG loan amount shall be paid to the lender to cover administrative expenses in completing the application packet and closing documents. The 1% closing and the remainder of the program administrative fee shall be retained by the Authority. The amount of the program fee may be included in the State Guarantee loan amount. The lender shall may charge no fees or points in addition to those outlined herein. The applicant Applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge fees or charges that the Authority may require. [20 ILCS 3501/830-45(a)]~~

- 4) When a State Guarantee application is submitted to the Authority, the Authority shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Section. When the Authority has completed the review of the Guarantee application, the application shall be presented, along with a statement of recommended action, to the Board for review at its next regularly scheduled meeting. The review shall include whether the ~~applicant~~ Applicant and lender are in compliance with the requirements of the program. The review shall also include an evaluation of collateral, percentage of loan, debt to asset ratio, cash flow, etc.
- 5) The Board shall approve the application and provide the Guarantee, pursuant to the Act and this Section; or, deny the application and serve upon the lender and ~~applicant~~ Applicant a written statement of the grounds for the denial.
- 6) If the application is denied, the ~~applicant~~ Applicant and the lender may request reconsideration stating reasons why the Board should withdraw its denial of the application and approve the State Guarantee. The request should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the request at its next scheduled meeting, and shall either approve or deny the application. A denial of a request for reconsideration shall be final.
- 7) Upon approval of an application and receipt of the documentation necessary to prepare loan closing documents, a YFG Loan Closing Documents package, which contains all the appropriate forms and documents to execute, shall be prepared by the Authority and sent to the

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lender. Upon completion of all such forms and documents by the ~~applicant~~Applicant, lender and Authority and after satisfaction of all loan closing requirements, the YFG loan guarantee will be considered in force.

- f) Provision or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to any lender if, in addition to meeting the other criteria described in the Act and this Section, the lender:
- 1) charges a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the ~~borrower~~Borrower. If both the lender and ~~applicant~~Applicant agree, the interest rate on the YFG loan can be converted to a fixed interest rate at any time during the term of the loan [20 ILCS 3501/830-45];
  - 2) ~~pays a fee~~agrees to pay an annual fee to the Authority in an amount equal to 25 basis points on the loan ~~to (or such other amount as is permitted by the Act and established by~~ the Authority ~~on an annual basis by resolution)~~ [20 ILCS 3501/830-45(a)];
  - 3) agrees to complete and certify that, to the best of the lender's knowledge, all information is true and correct on the application, balance sheets, security analysis, cash flow projection and any other documents that the Authority may request [20 ILCS 3501/830-45(a)];
  - 4) identifies collateral acceptable to the Authority in accordance with subsection (h) that is at least equal to the State Guarantee loan request [20 ILCS 3501/830-45(a)];
  - 5) assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default subject to consulting the Authority [20 ILCS 3501/830-45(b)(iii)];
  - 6) is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided [20 ILCS 3501/830-45(b)(iv)];
  - 7) assumes responsibility for the timely collection and disposition of collateral on a YFG loan that is in default; provided, however, that the lender shall not collect or dispose of collateral on the YFG loan without the express written prior approval of the Authority. Approval shall be granted if the collateral is disposed of in a commercial manner, which nets an amount closely approximating the value of the collateral;

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- 8) agrees that the Authority has final approval on the sale of all collateral for the YFG loan. After the sale of collateral, the State shall be reimbursed its 85% guaranteed portion of the principal balance at default. If funds from the sale of collateral remain after this payment, the lender shall be reimbursed its 15% of the principal balance at default. If excess funds remain after paying the principal to the State and lender, then the State and lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the lender's portion.
- g) The YFG loan shall be subject to an annual review and renewal by the lender and the Authority [20 ILCS 3501/830-45(a)] for adequacy of collateral and performance by the ~~applicant~~Applicant. The ~~applicant~~Applicant is required to provide the lender with a current financial statement annually.
- 1) If it is determined that there is not sufficient collateral to adequately secure the YFG loan, additional collateral may be required. If the ~~applicant~~Applicant is unwilling or unable to pledge additional collateral, the YFG loan may be called due and payable.
  - 2) If a YFG loan is going to be called for any reason, written notice which specifies the reasons for said action must be served to all parties (~~IFA~~the Authority, the lender, and ~~borrower~~the Borrower) not less than 90 days prior to call of the loan.
  - 3) Failure of the ~~applicant~~Applicant to make any payment on or before its due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest shall become due and payable immediately on the entire YFG loan. The YFG loan cannot be reinstated after the 90-day delinquency period.
- h) In the event of default that is not cured within 90 days or in the event a loan is called for any reason, the Authority shall make payment of the guaranteed portion of the YFG loan to the holder of the guarantee. This payment shall be equal to the sum of:
- 1) 85% of the principal balance as of the date of default or date of call less any proceeds received from sales of collateral;
  - 2) 85% of the interest balance as of the date of default or call; and

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- 3) 85% of the interest accrued from the date of default or call until the date payment is made up to a maximum of 120 days.
- i) The Illinois Agricultural Loan Guarantee Fund, the Illinois Farmer and Agribusiness Loan Guarantee Fund~~shall~~, and the Industrial Project Insurance Fund may be used to secure State Guarantee Guarantees on YFG loans. [20 ILCS 3501/830-45(c)]
- 1) The Authority ~~shall~~may guarantee up to \$50,000,000 in loans through the State Livestock Guarantee Program (SLP), YFG and State Guarantee Program for Agri-Industries (SGPAI). The Illinois Farmer and Agribusiness Loan Guarantee Fund shall be funded with \$15,000,000 to cover any losses under these programs.
  - 2) The Authority shall direct payments from ~~this fund~~the Funds to guarantee holders as described in subsection (h).
  - 3) Monies returned to the State on the disposition of collateral as described in subsection (f) shall be deposited to ~~this fund~~the Funds.

(Source: Amended at 26 Ill. Reg. 7084, effective May 10, 2002; recodified from 8 Ill. Adm. Code 1400.146 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### **Section 1100.725. Rules and Guidelines Applicable to the State Guarantee Program for Restructuring Agricultural Debt**

- a) **General Description of Program.** The State Guarantee Program (SGP) is intended to provide farmers who are experiencing financial difficulties caused by high interest rates and low commodity prices with a debt restructuring schedule to consolidate and spread out existing debt over a longer term at a reduced interest rate so that farmers will be able to continue existing farming operations. The provisions of this Section are applicable only to the SGP, and the provisions of Sections 1100.705 and 1100.710 of this Part are inapplicable to the SGP and procedures provided for pursuant to this Section.
- b) **Definitions**

Words defined in the Illinois Finance Authority Act and in Section 1100.50 have the same meaning when used in this Subpart unless a more specific different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

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"Applicant" means a farmer whose application for a State Guarantee has been submitted to the Authority by a lender.

"Asset" includes, but is not limited to, the following: crops or feed on hand; livestock held for sale; breeding stock; cash; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates, personal residence, and value of beneficial interests in trusts; government payments or grants; capitalized leases; retirement accounts; and all other property and assets.

"Current Outstanding" means on the date of the application for any State Guarantee.

"Current Status" means the absence of any arrearages in any previously incurred debt for which a State Guarantee is sought.

"Debt to Asset Ratio" means the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer. [20 ILCS 3501/830-30]

"Farmer" means a resident of Illinois, who is a principal operator of a farm or land, at least 50% of whose gross annual income is derived from farming and whose debt to asset ratio shall not be less than 40%, except in those cases where the ~~applicant~~ Applicant has previously used the Guarantee Program there shall be no debt to asset ratio or income restriction. [20 ILCS 3501/830-30]

"~~Fund~~Funds" means the Illinois Project Insurance Fund, the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund, which is the State's fund ~~are the funds which may be used~~ to cover losses resulting from defaults on State Guarantee loans. [20 ILCS 3501/830-30]

"Gross Annual Income" means income as defined in Section 61 of the ~~Tax~~Internal Revenue Code (26 USC 61).

"Liability" includes, but is not limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; indebtedness under capitalized leases; and all other liabilities. [20 ILCS 3501/801-10]

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"State Guarantee" means a note for which the State of Illinois shall be liable for 85% of the total principal and interest of the note as determined by the Authority.

- c) Eligible Farmers. To qualify for participation in the SGP, each farmer must:
- 1) maintain his principal residence in the State;
  - 2) be at least 18 years of age at the time of application;
  - 3) be the principal operator of the farming business for which the funds guaranteed by the SGP are contemplated to be used;
  - 4) be able to show, based upon his/her most recent Federal Income Tax Return and current data, that at least 50% of his/her annual gross income is derived from farming, unless the loan is a renewal of an existing guarantee;
  - 5) have a debt to asset ratio of not less than 40% and not greater than 65%, unless the loan is a renewal of an existing guarantee;
  - 6) provide sufficient collateral to secure the State Guarantee and agree to keep the State Guarantee adequately collateralized in the future;
  - 7) certify and agree that he/she will only use the State Guarantee to consolidate and restructure existing farming debts.
- d) Limitations
- 1) No State Guarantee shall exceed \$500,000 per farmer or farming operation. [20 ILCS 3501/830-30]
  - 2) Each State Guarantee shall be set up on a payment schedule not to exceed 30 years, and shall be no longer than 30 years in duration. [20 ILCS 3501/830-30]
  - 3) Only one State Guarantee shall be outstanding per farmer at any one time. [20 ILCS 3501/830-30]
  - 4) Only one State Guarantee shall be outstanding at any one time for any one farming operation. If ~~applicants~~ Applicants file separate Schedule Fs for their Federal Income Tax Returns, then they will be considered to operate separate farming operations.

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- e) Application Procedures and Review
- 1) Lenders interested in the SGP must complete a Letter of Interest and return it to the Authority's office. After the Letter of Interest has been received by the Authority, the lender will be placed on the mailing list for the SGP.
  - 2) The lenders shall apply for State Guarantees on forms approved and provided by the Authority. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the State Guarantee. [20 ILCS 3501/830-30]
  - 3) After approval of the application and receipt of the documentation necessary prior to closing the loan, the Authority shall send a State Guarantee Closing Documents package to the lender containing all the appropriate forms and documents to execute. Upon completion of all such forms and documents by the ~~applicant~~Applicant, lender and Authority, the State Guarantee loan will be considered closed.
  - 4) The lender shall certify that all the information contained on the application and other submitted documents is correct, and shall be liable to the Authority for any damages suffered by any incorrect or untrue statement contained in any certified application.
  - 5) The application period for the SGP shall commence July 15, 1982 and end when the Authority has issued State Guarantees equal to \$160,000,000 or at any later time as may be set from time to time by legislative extension.
  - 6) Following submission of the Guarantee application by the lender, the Authority shall review the application. The Authority's review shall include, but will not be limited to, whether the ~~applicant~~Applicant is an eligible farmer and whether the lender has complied with the requirements of subsection (f) of this Section. The Authority will base its evaluation on collateral, percentage of loan, debt to asset ratio, cash flow, etc.
  - 7) When a State Guarantee application is submitted to the Authority, the Executive Director shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Part:



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- A) If the Executive Director determines that the loan application is incomplete, he or she shall, within 14 days of such determination, inform the lender and the ~~applicant~~ Applicant of such determination, and detail the information or material that is necessary to complete the application. For the purposes of subsection (j) of this Section, no application shall be deemed complete until the lender or ~~applicant~~ Applicant has provided the additional information or material requested by the Executive Director.
- B) When the Executive Director has completed his or her review of the Guarantee application, he or she shall present the application, with a statement of recommended action to the Authority at its next regularly scheduled meeting. The Executive Director will base the review on collateral, percentage of loan, debt to asset ratio, cash flow, etc.
- 8) The Authority shall review each loan application presented by the Executive Director in accordance with the provision of the Act and this Part, and the Authority shall:
- A) approve the application and provide the Guarantee, pursuant to the Act and this Part; or
- B) deny the application and serve upon the lender and ~~applicant~~ Applicant a written statement of the grounds of the denial.
- 9) ~~Each applicant shall pay a~~ The Authority may charge each Applicant (i) an application fee to be submitted to the Authority at the time a Borrower's Application is filed, and (ii) a program administrative fee to be paid by the Borrower to the Authority at the time a financing is closed, provided that the amount of the application fee shall be credited against the amount of the program administrative fee due from the Borrower. The Authority may by resolution adopted from time to time fix and change the amounts of such fees. [20 ILCS 3501/801-40(j)] As of January 1, 2019 and until changed by resolution of the Authority, the application fee shall be \$300 application fee which will be submitted to the lender at the time of the application. At the time the loan is made, the applicant may be required to pay a closing fee not greater than  $\frac{3}{4}$  of 1% of the State Guarantee which may be used to pay for administrative expenses incurred by the lender and the Authority. Of this  $\frac{3}{4}$  of 1% closing fee, the Authority shall receive  $\frac{1}{2}$

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~~% to cover administrative and legal expenses and the lender shall receive ¼%-\$300 and the program administrative fee shall be equal to 1.00% of the State Guarantee loan amount. Of the program administrative fee, an amount equal to 0.25% of the State Guarantee loan amount shall be paid to the lender to cover administrative expenses in completing the application packet and closing documents. The ¾ of 1% closing and the remainder of the program administrative fee shall be retained by the Authority. The amount of the program fee may be included in the State Guarantee Loan amount. The Authority shall credit the \$300 application fee against the closing fee. The lender shall may charge no fees or points in addition to those outlined herein. The applicant-Applicant shall be responsible for paying any fees or charges fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fees necessary for closing and maintaining the State Guarantee or selling into the secondary market or charges that the Authority may require. [20 ILCS 3501/830-30]~~

- 10) If the application is denied, the ~~applicant-Applicant~~ and the lender may file a Request for Reconsideration stating reasons why the Authority should withdraw its denial of the application and approve the State Guarantee. This Request for Reconsideration must be filed with the Authority not later than 21 days after such denial. The Request for Reconsideration should be accompanied by supporting documents and/or information not previously considered by the Authority. The Authority shall review the Request for Reconsideration at its next scheduled meeting, and shall either approve the application or deny the Request for Reconsideration. The ~~applicant-Applicant~~ will have the opportunity to present new relevant facts on his or her previous denial to the Authority, and if such facts will establish eligibility, the Request will be granted. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the application shall be deemed complete for the purposes of subsection (j) of this Section.
- f) Provision or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to any lender if, in addition to meeting the other criteria described in the Act and this Part, the lender:
- 1) agrees to bring the farmer's debt to a current status at the time the State Guarantee is provided; [20 ILCS 3501/830-30]

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- 2) charges a fixed or adjustable interest rate which is below the market rate of interest generally available to the ~~borrower~~Borrower. The market rate of interest is that rate which would be charged by the same lender for the same ~~project~~Project without the State Guarantee. If both the lender and the ~~applicant~~Applicant agree, the interest rate on the State Guarantee loan can be converted to a fixed interest rate at any time during the term of the loan; [20 ILCS 3501/830-30]
- 3) ~~agrees to pay~~pays an annual fee to the Authority ~~an annual fee in an amount~~equal to 25 basis points on the loan and any other necessary and ordinary administrative expenses in excess of the 25 basis points as determined from time to time pursuant to the Act and this Part(or such other amount as is permitted by the Act and established by the Authority by resolution) [20 ILCS 3501/830-30(b)];
- 4) agrees to complete and certify that, to the best of the lender's knowledge, all information is true and correct on the application, balance sheets, security analysis, cash flow projection and any other documents that the Authority may request; [20 ILCS 3501/830-30]
- 5) identifies collateral acceptable to the Authority in accordance with subsection (h) that is at least equal to the State Guarantee loan request; [20 ILCS 3501/830-30]
- 6) assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default subject to consulting the Authority; [20 ILCS 3501/830-30]
- 7) is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided; [20 ILCS 3501/830-30]
- 8) assumes responsibility for proceeding with the collecting and disposing of collateral on the State Guarantee within 14 months of the date that the loan is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. [20 ILCS 3501/830-30] Approval shall be granted if the collateral is disposed of in a reasonably commercial manner, based on the manner, time and place of the sale, the purchase price and the purchaser. In the event that the lender fails to dispose of the collateral within 14 months, the lender shall repay to the State interest on the State Guarantee equal to the same rate which the lender charges on the loan;

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provided, however, that the Authority shall extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances which prevent the lender from liquidating the collateral. The lender shall repay this interest to the State until the collateral for the State Guarantee has been liquidated and the State has been reimbursed. [20 ILCS 3501/830-30] If the lender fails to repay the State the interest as outlined in this subsection (f), the Authority shall turn the matter over to the Attorney General's office for appropriate legal action;

- 9) agrees that the Authority has final approval on the sale of all collateral for the State Guarantee. After the sale of collateral, the State shall be reimbursed 85% of the remaining principal amount of the State Guarantee loan. If the funds from the sale of collateral remain after this payment, the lender shall be reimbursed 15% of the remaining principal amount of the loan. If excess funds remain after paying the remaining principal to the State and lender, then the State and lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the lender's portion. If excess funds exist after repaying both the State and the lender, they shall be paid back to the farmer. [20 ILCS 3501/830-45]

g) Annual Review

- 1) The lender and the Authority shall each, on an annual basis, review State Guarantees for any purpose including, but not limited to, present collateral value; timeliness of payments made by the farmer or any other purposes reasonably calculated to aid in determining the farmer's present and projected repayment capacity. If the Authority determines that the existing collateral is insufficient to cover the State's liability, additional collateral may be required. If the ~~applicant~~ Applicant fails to pledge such additional collateral, the State Guarantee loan may be called.
- 2) In those cases where the ~~borrower~~ Borrower has not previously used the guarantee program, no State Guarantee shall be called by the lender or Authority during the first 3 years of the date on which the application is closed for any reason except defaults on payments or insufficient collateral. [20 ILCS 3501/830-30]
- 3) Except as otherwise provided in the Act or this Subpart, a State Guarantee may be called by the lender or Authority upon a 90-day written notice to

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all parties specifying the reasons for such call (e.g., submission of false documentation, changing loan documents, and change of state residency).

- 4) The lender can review and withdraw or continue with the State Guarantee on an annual basis after the first three years of the loan provided a 90 day notice, in writing, to all parties has been given. [20 ILCS 3501/830-30] Such notification must be provided on or before the date on which payment is due.
- 5) The ~~applicant~~ Applicant must make all payments on the State Guarantee within 90 days of the stated payment date. Failure to make payments on or before their due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest shall become due and payable immediately on the entire State Guarantee Loan. The State Guarantee cannot be reinstated after the 90-day delinquency period.
- h) Valuation of Collateral. All collateral shall be evaluated by ~~IFA~~ staff of the Authority or appraised by a qualified appraiser. A qualified appraiser is one who is qualified by virtue of membership in the Illinois Society of Farm Managers and Appraisers, or one whose qualifications have been reviewed by the Authority. The Authority shall have final authority to determine whether the collateral is sufficient to cover the State's liability and may appoint an independent appraiser to aid in its determination on the sufficiency of collateral. The Authority will view real estate as the primary collateral on SGP loans, with machinery and equipment and breeding livestock to be used as secondary collateral, except where no real estate is available. Collateral value may be reviewed each year by the lender or an independent appraiser appointed by the Authority. The Authority may, among other things, take a mortgage or lien on land or other assets to cover the State's liability. Collateral may be transferred only upon written approval by the Authority and the lender.
- i) ~~Fund~~ Funds. To implement and carry out the objectives of the SGPAI, the Illinois Agricultural Loan Guarantee Fund has been created as a special ~~Fund~~ fund outside of the State Treasury.
  - 1) The Authority is authorized to transfer no more than \$45,000,000 to the Illinois Agricultural Loan Guarantee Fund during the duration of the State Guarantee program, to secure State Guarantees issued pursuant to this Section. Any amounts transferred from the Illinois Agricultural Loan

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Guarantee Fund to the General Revenue Fund under powers granted to the Governor by Public Act 87-14 shall not be considered in determining if the maximum of \$45,000,000 has been transferred into the Illinois Agricultural Loan Guarantee Fund. [20 ILCS 3501/830-30]

- 2) The State shall not be liable for more than \$45,000,000 to secure State Guarantees issued pursuant to this Section. [20 ILCS 3501/830-30]
- 3) In the event of default by the farmer, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the ~~Illinois Agricultural Loan Guarantee Fund Funds~~ to satisfy claims against the State Guarantee. The Illinois Agricultural Loan Guarantee ~~Fund Funds~~ shall guarantee receipt of payment of the 85% of the principal and interest owed on the State Guarantee loan by the farmer to the guarantee holder. [20 ILCS 3501/830-30] In no event shall the interest amount guaranteed by the Authority include interest accruing beyond 120 days from the date of default.
- 4) The ~~Fund Funds~~ shall be reimbursed for any amount paid under this subsection (i) upon liquidation of collateral which the lender shall seize and convert to cash in a reasonably commercial manner. [20 ILCS 3501/830-30]
- j) Priority of Applications. Applications shall be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed documents by the Authority.
- k) Guarantors and Additional Collateral. An ~~applicant~~ Applicant for a State Guarantee Loan may have a guarantor co-sign the note and/or pledge additional collateral for the State Guarantee Loan if the lender and Authority determine that the ~~applicant~~ Applicant alone cannot provide sufficient collateral for the State Guarantee.
- l) The State Guarantee. In the event of default, the Authority shall make payment on the State Guarantee of 85% of the outstanding principal and interest owed on the State Guarantee Loan to the holder of the State Guarantee. The payment shall be made by the Authority to the holder of the State Guarantee within 30 days after an appropriate request by a lender certifying that the 90-day delinquency period has elapsed. The payment shall include 85% of past due interest and 85% of the remaining principal.

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- m) Prepayment of Loans. Each loan shall be paid at least on an annual basis with one payment due each year on the date on which the loan was closed for a period of ten years or until the loan is repaid, whichever occurs first. The State Guarantee Loan may be prepaid in full or in part at any time the loan is outstanding without penalty.
- n) Assumption of Loans. No State Guarantee loan may be assumed by any [entity Person](#) unless specifically authorized by the Authority. Such authorization will be granted only in extraordinary cases (e.g., death or serious illness of the [applicant Applicant](#) with assumption by an immediate family member).
- o) Total Obligations through the SGP. The Authority ~~shall~~may have outstanding guarantees in an aggregate principal amount up to \$160,000,000 through the SGP. The Illinois Agriculture Loan Guarantee Fund shall be funded with \$45,000,000 to cover any losses.

(Source: Amended at 25 Ill. Reg. 6886, effective May 30, 2001; recodified from 8 Ill. Adm. Code 1400.148 at 31 Ill. Reg. 12104; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.730. Rules and Guidelines Applicable to the Specialized Livestock Guarantee Program**

- a) General Description of Program. The Specialized Livestock Guarantee Program (SLP) is designed to enhance opportunities for many Illinois farmers who want to position themselves for success in the changing livestock industry. This program targets specialized, family sized livestock operations, including swine and dairy and beef cattle operations. Loan funds may be used primarily for construction, purchase, and/or remodeling of facilities, and also for purchases of equipment, breeding livestock or other capital assets. In some cases, loan proceeds may be used to refinance existing debt as needed to improve lien positions or improve financial structure. The provisions of this Section are applicable only to the SLP.
- b) Definitions

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific different~~ definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Applicant" means a farmer whose application for a Specialized Livestock Guarantee has been submitted to the Authority by a lender.

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"Asset" includes, but is not limited to, the following: crops or feed on hand; livestock held for sale; breeding stock; cash; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interest in trusts; government payments or grants; capitalized leases; retirement accounts; and any other assets.

"Debt to Asset Ratio" means total outstanding liabilities, including any debt to be financed or refinanced under this Section, divided by total assets.

~~"Fund"~~**"Funds"** means the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund, which is the State's fund are the funds which may be used to cover losses resulting from defaults on Specialized Livestock Guarantee loans, and any other fund which the Authority may be authorized from time to time by the Act to use for that purpose.

"Liability" includes, but is not limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments accrued; interest payable; indebtedness under capitalized leases; and any other liability.

"SLP Loan" means an installment note for which the State of Illinois shall be liable for 85% of the total principal and interest as determined by the Authority.

- c) Eligible Farmers. To qualify for participation in the SLP, the ~~applicant~~ Applicant must:
- 1) be a resident of the State of Illinois. In the case of legal entities other than sole proprietorships, the owners of such legal entity must be Illinois residents.
  - 2) be the principal operator and/or materially involved in the operation.
  - 3) have adequate cash flow and collateral.
  - 4) certify to the Authority that, at the time the State Guarantee is provided, the ~~borrower~~ Borrower will not be delinquent in the repayment of any debt. [20 ILCS 3501/830-50]



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- d) Limitations
- 1) SLP loans shall not exceed \$1,000,000 per ~~applicant. An applicant~~ Applicant. An Applicant may use this program more than once, provided the aggregated principal of SLP loans to that ~~applicant~~ Applicant does not exceed \$1,000,000. [20 ILCS 3501/830-50]
  - 2) Each SLP loan shall be no longer than 15 years in duration. [20 ILCS 3501/830-50] The payment schedule for the loan will be tailored to the ~~applicant's~~ Applicant's collateral and cash flow.
  - 3) The SLP Loan can be fully or partially paid at any time while the loan is outstanding as long as the loan is held in the lender's portfolio and not sold into a secondary market. SLP Loans may not be assumed.
- e) Application Procedures and Review
- 1) Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. [20 ILCS 3501/830-50] Applications shall be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed documents by the Authority.
  - 2) ~~Each applicant shall pay a \$300. The Authority may charge each Applicant (i) an application fee which will to be submitted to the Authority at the time of the application. At the time the loan is closed, the applicant will be required to pay a closing fee of 1% of the SLP Loan amount less the a Borrower's Application is filed, and (ii) a program administrative fee to be paid by the Borrower to the Authority at the time a financing is closed, provided that the amount of the application fee shall be credited against the amount of the program administrative fee due from the Borrower. The Authority may by resolution adopted from time to time fix and change the amounts of such fees. [20 ILCS 3501/801-40(j)] As of January 1, 2019 and until changed by resolution of the Authority, the application fee shall be \$300 application fee. Of this 1% closing fee, the Authority shall receive ¾ % and the lender shall receive ¼ % 300 and the program administrative~~

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fee shall be equal to 1.25% of the SLP loan amount. Of the program administrative fee, an amount equal to 0.25% of the SLP loan amount shall be paid to the lender to cover administrative expenses in completing the application packet and closing documents. The 1% closing and the remainder of the program administrative fee shall be retained by the Authority. The amount of the program fee may be included in the State Guarantee ~~Loan~~ loan amount. The lender ~~shall~~ may charge no fees or points in addition to those outlined herein. The ~~applicant~~ Applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar ~~fee or charge~~ fees or charges that the Authority may require. [20 ILCS 3501/830-50]

- 3) The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the ~~borrower~~ Borrower. If both the lender and ~~applicant~~ Applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan. [20 ILCS 3501/830-50]
- 4) When a State Guarantee application is submitted to the Authority, the Authority shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Section. When the Authority has completed the review of the Guarantee application, the application shall be presented, along with a statement of recommended action, to the Board for review at its next regularly scheduled meeting. The review shall include whether the ~~applicant~~ Applicant and lender are in compliance with the requirements of the program. The review shall also include an evaluation of collateral, percentage of loan, debt to asset ratio, cash flow, etc.
- 5) The Board shall approve the application and provide the Guarantee, pursuant to the Act and this Section; or, deny the application and serve upon the lender and ~~applicant~~ Applicant a written statement of the grounds for the denial.
- 6) If the application is denied, the ~~applicant~~ Applicant and the lender may request reconsideration stating reasons why the Board should withdraw its denial of the application and approve the State Guarantee. The request should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the request at

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its next scheduled meeting, and shall either approve or deny the application. A denial of a request for reconsideration shall be final.

- 7) Upon approval of an application and receipt of the documentation necessary to prepare loan closing documents, an SLP Loan Closing Documents package, which contains all the appropriate forms and documents to execute, shall be prepared by the Authority and sent to the lender. Upon completion of all such forms and documents by the ~~applicant~~Applicant, lender and Authority and after satisfaction of all loan closing requirements, the SLP Loan guarantee will be considered in force.
- f) Provision ~~of~~or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to any lender if:
- 1) the lender pays ~~an annual~~ fee to the Authority in an amount equal to 25 basis points on the loan ~~to (or such other amount as is permitted by the Act and established by the Authority on an annual basis by resolution)~~ [20 ILCS 3501/830-50(d)];
  - 2) the ~~applicant~~Applicant provides collateral acceptable to the Authority that is at least equal to the State Guarantee [20 ILCS 3501/830-50];
  - 3) the lender certifies that, to the best of the lender's knowledge, all information is true and correct on the application, balance sheets, security analysis, cash flow projection and any other documents submitted;
  - 4) the lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default [20 ILCS 3501/830-50];
  - 5) the lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided [20 ILCS 3501/830-50];
  - 6) the lender assumes responsibility for the timely collection and disposition of collateral on an SLP Loan that is in default; provided, however, that the lender shall not collect or dispose of collateral on the SLP loan without the express written prior approval of the Authority. Approval shall be granted if the collateral is disposed of in a commercial manner, which nets an amount closely approximating the value of the collateral;
  - 7) the lender agrees that the Authority has final approval on the sale of all collateral for the SLP loan. After the sale of collateral, the State shall be reimbursed its 85% guaranteed portion of the principal balance at default.

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If funds from the sale of collateral remain after this payment, the lender shall be reimbursed its 15% of the principal balance at default. If excess funds remain after paying the principal to the State and lender, then the State and lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the lender's portion.

- g) The SLP Loan shall be reviewed annually by the lender and ~~IFA~~ the Authority for adequacy of collateral and performance by the ~~applicant~~ Applicant. The ~~applicant~~ Applicant is required to provide the lender with a current financial statement annually.
- 1) If it is determined that there is not sufficient collateral to adequately secure the SLP Loan, additional collateral may be required. If the ~~applicant~~ Applicant is unwilling or unable to pledge additional collateral, the SLP Loan may be called due and payable.
  - 2) If an SLP Loan is going to be called for any reason, written notice which specifies the reasons for said action must be served to all parties (~~IFA~~ the Authority, the lender, and ~~borrower~~ the Borrower) not less than 90 days prior to call of the loan.
  - 3) Failure of the ~~applicant~~ Applicant to make any payment on or before its due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest shall become due and payable immediately on the entire SLP Loan. The SLP Loan cannot be reinstated after the 90-day delinquency period.
- h) In the event of default that is not cured within 90 days or in the event a loan is called for any reason, the Authority shall make payment of the guaranteed portion of the SLP Loan to the holder of the guarantee. This payment shall be equal to the sum of:
- 1) 85% of the principal balance as of the date of default or date of call less any proceeds received from sales of collateral;
  - 2) 85% of the interest balance as of the date of default or call; and
  - 3) 85% of the interest accrued from the date of default or call until the date payment is made, up to a maximum of 120 days.

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- i) The ~~Illinois Farmer and Agribusiness Loan Guarantee Fund shall~~ Funds may be used to secure State Guarantees on SLP Loans. [20 ILCS 3501/830-50]
- 1) The Authority ~~shall~~ may guarantee up to \$50,000,000 in loans through the SLP, YFG and SGPAI. The Illinois Farmer and Agribusiness Loan Guarantee Fund shall be funded with \$15,000,000 to cover any losses under these programs.
  - 2) The Authority shall direct payments from this fund to guarantee holders as described in subsection (h).
  - 3) Monies returned to the State on the disposition of collateral as described in subsection (f) shall be deposited to ~~this fund~~ one or more of the Funds.

(Source: Amended at 25 Ill. Reg. 6886, effective May 30, 2001; recodified from 8 Ill. Adm. Code 1400.148 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 1100.735. Rules and Guidelines Applicable to the State Guarantee Program for Agri-Industries

- a) General Description of Program. The State Guarantee Program for Agri-Industries (SGPAI) was created to encourage diversification and vertical integration of Illinois agriculture. The provisions of this Section are applicable only to the SGPAI, and the provisions of Sections 1100.705,—1100.710,— 1100.725 and 1100.730 of this Part are inapplicable to the SGPAI and procedures provided for pursuant to this Section.
- b) Definitions

Words defined in the ~~Illinois Finance Authority~~ Act and in Section 1100.50 have the same meaning when used in this Subpart unless a ~~more specific different~~ definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State of Illinois that is related to the processing of agricultural commodities (including, without limitation, the products of agriculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural buildings, structures, equipment, implements, and supplies, or any other facilities or processes used in agricultural production. [20 ILCS 3501/801-10(z)]

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"Applicant" means a farmer/agribusiness whose application for a State Guarantee has been submitted to the Authority by a lender.

"Farmer" means a resident of Illinois who is a principal operator of farm or land, at least 50% of whose annual gross income is derived from farming, whose annual total sales of agricultural products, commodities or livestock exceeds \$20,000 and whose net worth does not exceed \$500,000. [20 ILCS 3501/830-35]

"~~Fund~~Funds" means [the Industrial Project Insurance Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund, which is the State's fund—are the funds which may be used to cover losses resulting from defaults on SGPAI loans, and any other fund which the Authority may be authorized from time to time by the Act to use for that purpose.](#)

"Gross Annual Income" means income as defined in Section 61 of the Tax Code (26 USC 61).

"State Guarantee" means a note for which the State of Illinois shall be liable for 85% of the total principal and interest of the note as described by the Authority.

c) Applicant Eligibility Requirements

- 1) Farmer. To qualify for participation each farmer must:
  - A) be a resident of Illinois [20 ILCS 3501/830-35];
  - B) be at least 18 years of age at the time of application;
  - C) be the principal operator of a farm or land for which the funds guaranteed by the State Guarantee are to be used [20 ILCS 3501/830-35];
  - D) be able to show, based upon his/her most recent federal income tax return and/or current data, that at least 50% of his/her gross income is derived from farming [20 ILCS 3501/830-35];
  - E) be able to show, based upon his/her most recent federal income tax return and/or current data, that his/her total sales of agricultural products, commodities, or livestock exceeds \$20,000 [20 ILCS 3501/830-35];

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- F) be able to show that his/her net worth does not exceed \$500,000 [20 ILCS 3501/830-35].
- 2) Agribusiness. To qualify for participation each agribusiness must:
- A) be located in Illinois;
- B) use agricultural products which are now grown or raised in Illinois, or which will be grown or raised in Illinois.
- 3) Joint Requirements. To qualify for participation each ~~applicant~~ Applicant must:
- A) Promote diversification of the farm economy of this State through the growth and development of new crops or livestock not customarily grown or produced in this State or that emphasize a vertical integration of grain or livestock produced or raised in this State into a finished agricultural product for consumption or use. "New crops or livestock not customarily grown or produced in this State" shall not include corn, soybeans, wheat, swine or beef or dairy cattle. "Vertical integration of grain or livestock produced or raised in this State" shall include any new or existing grain or livestock grown or produced in this State; [20 ILCS 3501/830-35];
- B) provide sufficient collateral to secure the entire loan at the time of application and agree to keep the loan collateralized in the future;
- C) agree to make all payments on the State Guarantee within 90 days of the stated payment date. If any payment is not made within said 90 day period, then the total outstanding principal and interest on the entire State Guarantee loan are due and payable immediately. The State Guarantee loan cannot be reinstated after the 90 day delinquency period.
- d) Any State Guarantees provided under this Section:
- 1) shall not exceed \$500,000 per farmer or an amount as determined by the Authority on a case-by-case basis for an agribusiness;
- 2) shall not exceed a term of 15 years;

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- 3) shall be subject to an annual review and renewal by the lender and the Authority. [20 ILCS 3501/830-35]
- e) Application Procedures and Review
- 1) Lenders shall apply for the State Guarantees on forms provided by the Authority, certify that the application and any other documents submitted, such as balance sheets, security analyses, cash flow projections and feasibility studies are true and correct, and shall be liable to the Authority for any damages suffered because of an incorrect or untrue statement contained in any certified application. The application shall at a minimum contain the farmer's or agribusiness' name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets and any other information pertinent to the application and the collateral to be used to secure the State Guarantee, such as feasibility studies, purchase contracts or sales contracts. [20 ILCS 3501/830-35]
  - 2) After approval of the application and receipt of the documentation necessary prior to closing the loan, the Authority shall send a State Guarantee Closing Documents package to the lender containing all the appropriate forms and documents to execute; upon completion of all such forms and documents by the ~~applicant~~Applicant, lender and Authority, the State Guarantee loan will be considered closed.
  - 3) The application period for the SGPAI shall commence immediately upon the determination that these Rules are properly filed with the Office of the Secretary of State and end when the Authority has issued State Guarantees equal to \$50,000,000 through this SGPAI program and the YFG and SLP programs, or at any later time as may be set from time to time by legislative extension.
  - 4) Following submission of the Guarantee application by the lender, the Authority shall review the application. The Authority's review will include whether the ~~applicant~~Applicant is an eligible farmer or agribusiness and whether the lender has complied with the requirements of subsection (f) of this Section. The Authority's review will also include evaluation of such factors as collateral, percentage of loan, debt to asset ratio, cash flow, and other information submitted by the ~~applicant~~Applicant.



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- 5) When a State Guarantee application is submitted to the Authority, the Executive Director shall review the application to determine whether it is complete pursuant to subsection (e)(1), and whether it meets the criteria established by the Act and this Subpart:
- A) If the Executive Director determines that the loan application is incomplete, he/she shall within 14 days of such determination inform the lender and the ~~applicant~~ Applicant of such determination and detail the information or material that is necessary to complete the application. For the purpose of subsection (j) of this Section no application shall be deemed complete until the lender or ~~applicants~~ Applicants have provided the additional information or material requested by the Executive Director.
  - B) When the Executive Director has completed his/her review of the Guarantee application, he/she shall present the application with a statement of recommended action to the Board at its next regularly scheduled meeting. The Executive Director will base the review on such factors as collateral, percentage of loan, debt to asset ratio, cash flow and other information submitted by the ~~applicant~~ Applicant.
- 86) The Board shall review each loan application presented by the Executive Director using the criteria in subsection (e)(6), and the Board shall:
- A) approve the application and provide the Guarantee pursuant to the Act and this Part; or
  - B) deny the application and serve upon the lender and ~~applicant~~ Applicant a written statement of the grounds of the denial.
- 97) ~~Each applicant shall pay a \$300~~ The Authority may charge each Applicant (i) an application fee which will to be submitted to the Authority at the time ~~of the application. At the time the loan is made, the applicant may be required to pay a closing fee not greater than 3/4 of~~ a Borrower's Application is filed, and (ii) a program administrative fee to be paid by the Borrower to the Authority at the time a financing is closed, provided that the amount of the application fee shall be credited against the amount of the program administrative fee due from the Borrower. The Authority may by resolution adopted from time to time fix and change the amounts of

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~~such fees. [20 ILCS 3501/801-40(j)] As of January 1, 2019 and until changed by resolution of the Authority, the application fee shall be \$300 and the program administrative fee shall be equal to 1.00% of the State Guarantee loan amount. Of this  $\frac{3}{4}$  of 1% closing fee, the Authority shall receive  $\frac{1}{2}$  % the program administrative fee, an amount equal to 0.25% of the State Guarantee loan amount shall be paid to the lender to cover administrative and legal expenses and the lender shall receive  $\frac{1}{4}$  % to cover administrative expenses incurred in completing the application packet and closing documents. The  $\frac{3}{4}$  of 1% closing and the remainder of the program administrative fee shall be retained by the Authority. The amount of the program fee may be included in the State Guarantee loan amount. The Authority shall credit the \$300 application fee against the closing fee. The lender shall may charge no fees or points in addition to those outlined herein. The applicant Applicant shall be responsible for paying any fees or charges fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fees or charges necessary for closing and maintaining the State Guarantee or selling it into the secondary market that the Authority may require. [20 ILCS 3501/830-35]~~

108) If the application is denied, the ~~applicant~~ Applicant and the lender may file a Request for Reconsideration stating reasons why the Board should withdraw its denial of the application. This Request for Reconsideration must be filed with the Authority not later than 21 days after denial and should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the Request at its next scheduled meeting. The review will be based on the criteria established in subsection (e)(4). Based on the review, the Board shall approve or deny the Request for Reconsideration. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the application that is the subject of the Request shall be deemed complete for the purposes of the subsection (j) of this Section.

f) Provision or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to a lender if, in addition to meeting the other criteria described in the Act and this Section:

1) ~~a fee the lender pays an annual fee to the Authority in an amount equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender, along with any other necessary expenses for maintaining the~~

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~~State Guarantee (or such other amount as is permitted by the Act and established by the Authority by resolution)~~ [20 ILCS 3501/830-35(b)];

- 2) the application provides collateral acceptable to the Authority that is at least equal to the State's portion of the Guarantee to be provided [20 ILCS 3501/830-35];
- 3) the lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default subject to consulting with the Authority [20 ILCS 3501/830-35];
- 4) the lender agrees that it is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied [20 ILCS 3501/830-35];
- 5) the lender assumes responsibility for proceeding with the collecting and disposing of collateral on the State Guarantee within 14 months of the date the State Guarantee is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. Approval will be granted if the collateral is disposed of in a reasonably commercial manner based on the manner, time and place of the sale, the purchase price and the purchaser. In the event the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate that the lender charges on the State Guarantee; provided that the Authority shall have the authority to extend the 14 month period for a lender in the case of bankruptcy or extenuating circumstances that prevent the lender from liquidating the collateral. [20 ILCS 3501/830-35] The lender shall repay this interest to the State until the collateral for the State Guarantee has been liquidated and the State has been reimbursed. If the lender fails to repay the State the interest as outlined herein, the Authority shall turn the matter over to the Attorney General's office for appropriate legal action;
- 6) agrees that after the sale of collateral, the State shall be reimbursed 85% of the remaining principal amount of the State Guarantee loan. If funds from the sale of the collateral remain after this payment, the lender shall be reimbursed 15% of the remaining principal amount of the loan. If excess funds remain after paying the remaining principal to the State and lender, then the State and lender shall be repaid interest on a pro-rated basis; 85% of such excess funds shall be allocated to the State's portion and 15% to

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the lender's portion. If excess funds exist after repaying both the State and the lender, these funds shall be paid to the ~~borrower~~Borrower.

## g) Review and Revocation

- 1) The SGPAI loan shall be reviewed annually by the lender and the Authority for review of collateral value and performance by the ~~borrower~~Borrower. If the Authority determines that the existing collateral is insufficient to cover the State's liability, additional collateral will be requested. If the ~~borrower~~Borrower fails to pledge such additional collateral, the State Guarantee may be revoked. The determination of whether to revoke the State Guarantee will be based on the ~~borrower's~~Borrower's ability to service the debt. If the Authority calls the State Guarantee, the holder of the Guarantee will be paid 85% of the outstanding principal and interest balance and the ~~borrower~~Borrower will be liable to reimburse the State.
- 2) A State Guarantee may be revoked by the lender or the Authority upon a 90-day written notice to all parties specifying the reasons for such revocation (e.g., submission of false documents, changing loan documents or change of State residency).
- 3) If an interest rate is variable, a lender may not withdraw from a SGPAI loan for any reason except for lack of performance on the ~~borrower's~~Borrower's part, insufficient collateral, or maturity. [20 ILCS 3501/830-35]
- 4) A lender may review and withdraw or continue with a State Guarantee on an annual basis after the first five years following closing of the loan application if the loan contract provides for an interest rate that shall not vary. [20 ILCS 3501/830-35] If a lender undertakes such a review, it must provide written notification of its decision whether to withdraw or continue. Such notification must be provided on or before the date on which payment is due.
- 5) The ~~applicant~~Applicant must make all payments within 90 days after the stated payment date. Failure to make any payments on or before its due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest balances on

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the SGPAI loan shall become due and payable. The State Guarantee cannot be reinstated after the 90-day delinquency period.

- h) Valuation of Collateral. All collateral shall be evaluated by ~~IFA~~ staff of the Authority or appraised by a qualified appraiser. A qualified appraiser is one who is qualified by virtue of membership in the Illinois Society of Farm Managers and Appraisers or one whose qualifications have been reviewed by the Authority. The Authority will consider an appraiser qualified who has at least three years experience appraising farmland. The Authority shall have final authority to determine whether the collateral is sufficient to cover the State Guarantee loan and may appoint an independent appraiser to aid in its determination. The Authority will view real estate as the primary collateral on SGPAI loans. Machinery and equipment and breeding livestock will be used only as secondary collateral except where no real estate is available. Collateral value may be reviewed each year by the lender or an independent appraiser appointed by the Authority. The ~~applicant~~ Applicant shall be liable to pay for all appraisal fees which are incurred when the value of the collateral is established.
- i) ~~Fund~~Funds. To implement and carry out the objectives of the SGPAI, there ~~is~~ has been created outside of the State's Treasury a special fund to be known as the Illinois Farmer and Agribusiness Loan Guarantee Fund. [20 ILCS 3501/830-35]
- 1) The Authority is authorized to transfer an amount not to exceed \$15,000,000 to the ~~fund~~ Illinois Farmer and Agribusiness Loan Guarantee Fund during the SGPAI, Young Farmer Guarantee, and Specialized Livestock Guarantee.
  - 2) The State will not be liable for more than \$15,000,000 to secure State Guarantees issued under this Section, Young Farmer Guarantees under Section 1100.720, and Specialized Livestock Guarantees under Section 1100.730.
  - 3) In the event of default by the farmer or agribusiness on State Guarantee Loans, the lender shall be entitled to, and the Authority shall direct payment from the Funds on, the State Guarantee after 90 days of delinquency. [20 ILCS 3501/830-35] The Authority shall direct a single payment equal to 85% of the outstanding principal plus interest accrued since the date payment was due.
  - 4) The ~~fund~~ Funds shall be reimbursed for any amount paid under this subsection (i) upon liquidation of the collateral. [20 ILCS 3501/830-35]

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- j) Priority of Applications. Applications shall be processed by the Authority on a first-come, first-served basis, based upon the receipt of all completed documents.
- k) Guarantors and Additional Collateral. An ~~applicant~~ Applicant for a State Guarantee loan may have a guarantor co-sign the note and/or pledge additional collateral for the State Guarantee loan if the lender and the Authority determine that the ~~applicant~~ Applicant alone cannot provide sufficient collateral.
- l) The State Guarantee. In the event of default, the Authority shall make payment on the State Guarantee of 85% of the outstanding principal and interest owned on the State Guarantee to the holder of the State Guarantee within 30 days after receiving an appropriate request from the lender certifying that the 90-day delinquency period has elapsed.
- m) Prepayment of Loan. The frequency of payments due on a SGPAI loan shall be determined on a case by case basis. Payment schedules will be tailored to match the operation's income. The loan may be prepaid in full or in part without penalty at any time during the term of the loan.
- n) Assumption of Loans. State Guarantee loans may not be assumed except with the approval of the Board. Approval will be granted only in unusual circumstances such as death of the ~~borrower~~ Borrower with assumption by a family member.
- o) Total Obligations Through the SGPAI. The Authority ~~shall~~ may guarantee up to \$50,000,000 in loans through the SGPAI, the Young Farmer Guarantee, and the Specialized Livestock Guarantee. The Illinois Farmer and Agribusiness Loan Guarantee Fund shall be funded with \$15,000,000 to cover any losses.

(Source: Amended at 26 Ill. Reg. 7084, effective May 10, 2002; recodified from 8 Ill. Adm. Code 1400.149 at 31 Ill. Reg. 12104; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.740. Loans to Certain Pension Funds.**

- c) As provided in Section 801-40(z) of the Act, notwithstanding the foregoing provisions of this Subpart E, the Authority may apply funds in the Illinois Agricultural Loan Guarantee Fund, the Illinois Farmer and Agribusiness Loan Guarantee Fund, and the Industrial Project Insurance Fund, together with other available funds, to make loans to the Police Officers' Pension Investment Fund authorized by Section 22B-120 of the Illinois Pension Code and to make loans to the Firefighters' Pension Investment Fund authorized by Section 22C-120 of the Illinois Pension Code.

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- d) Loans shall be considered for approval, and may be approved, by the Board at a meeting held pursuant to Section 1100.210.
- e) Loans to a pension fund shall be made using a loan agreement and such other appropriate documentation, the form of which shall be approved from time to time by the Executive Director in his or her discretion.

(Source: Added at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_, 20\_\_)

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NOTICE OF PROPOSED AMENDMENTS

SUBPART H: FIRE TRUCK REVOLVING LOAN PROGRAM

**Section 1100.800 Definitions**

~~The following definitions apply in this Subpart:~~

Words defined in the Act and in Section 1100.50 have the same meaning when used in this Subpart unless a different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

“Applicant” means a ~~unit of local government~~Unit of Local Government, including any municipality, township, township fire department, or special district such as a fire protection district, ~~that operates a fire department~~Fire Department or provides fire suppression services itself without contracting those services from another entity.

~~“Authority” means the Illinois Finance Authority created by the Illinois Finance Authority Act [20 ILCS 3501] or its successor agency.~~

“Board” means the governing body of the ~~entity~~Applicant receiving the loan.

"Brush Truck" means a pickup chassis with or equipped with a flatbed or a pickup box. The brush truck must be rated by the manufacturer as between three-fourths of a ton and one ton and outfitted with a fire or rescue apparatus.

“Fire Department” means a fire department, fire protection district, or township fire department that is a unit of local government (as defined in Article VII, Section 1 of the Illinois Constitution of 1970 and in 5 ILCS 70/1.28) in Illinois that provides fire suppression within a geographical area. For purposes of this Part, “Fire Department” is defined to include volunteer fire departments and volunteer fire protection districts (that are ~~units of local government~~Units of Local Government).

"Fire Truck" means an emergency vehicle identified as a pumper, ladder, truck, elevating platform, rescue truck, tanker, or squad truck.

"Fund" means the Fire Truck Revolving Loan Fund.

“Funding Date” means the date on which a ~~zero-interest loan or low-interest loan~~Zero-Interest Loan or Low-Interest Loan is closed and funded.



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"Low-Interest Loan" means a loan with a fixed rate of interest lower than commercially available.

"OSFM" means the Office of the State Fire Marshal.

"Program" means the Illinois Fire Truck Revolving Loan Program.

"Recipient" means an ~~applicant~~ Applicant that has successfully applied for and received all required approvals from OSFM and the Authority, agreed to and executed loan documentation prepared by the Authority, and closed and funded its ~~fire truck or brush truck~~ Fire Truck or Brush Truck loan.

"Zero-Interest Loan" means a loan bearing a zero percent rate of interest for the duration of the loan.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 1100.803 Severability

If any Section, subsection, sentence or clause of this Subpart ~~shall be~~ is held by a court of competent jurisdiction to be invalid, that holding shall not affect the remaining portions of this Subpart.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 1100.805 Purpose

- a) OSFM and the Authority may jointly administer a Program to provide ~~zero-interest loans or low interest loans~~ Zero-Interest Loans or Low-Interest Loans to eligible ~~applicants~~ Applicants to finance or reimburse all or a portion of the cost of purchasing ~~fire trucks or brush trucks~~ Fire Trucks or Brush Trucks, subject to availability of funds.
- b) For-profit entities, nonprofit entities, associations and/or not-for-profit corporations are not eligible to apply for a loan under this program. Units of local government that do not operate ~~fire departments~~ Fire Departments are similarly not eligible (e.g., a municipality that contracts for fire suppression from another municipality or fire protection district would be ineligible).

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(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; [amended at 44 Ill. Reg. , effective](#) )

**Section 1100.810 Eligible Expenditures**

- a) Subject to the availability of funds, loans are available to be made under the Program for ~~zero-interest loans or low-interest loans to applicants~~ Zero-Interest Loans or Low-Interest Loans to Applicants for the purchase of ~~fire trucks or brush trucks~~ Fire Trucks or Brush Trucks as deemed eligible under OSFM's administrative rules at 41 Ill. Adm. Code 290.20 and 290.30.
- b) Loan proceeds may be used to pay off a loan that was obtained no more than one year prior to the receipt of a loan under this Program if the loan being paid off was obtained to purchase the ~~fire truck or brush truck~~ Fire Truck or Brush Truck that is the subject of the ~~application~~ Application that was approved under this Program.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; [amended at 44 Ill. Reg. , effective](#) )

**Section 1100.815 Loan Application Review**

- a) Applications for loans to be made pursuant to the Program shall be submitted to OSFM on forms provided by, and following the procedures established by, OSFM and the Authority. Each ~~application~~ Application shall be reviewed by OSFM. OSFM will determine, based on equipment needs, financial need, and how recently the ~~applicant~~ Applicant has received a previous loan under this Program, which eligible ~~applicant or applicants~~ Applicant or Applicants shall be recommended to the Authority for further consideration to receive a loan under this Program to finance the purchase of a ~~fire truck or brush truck~~ Fire Truck or Brush Truck.
- b) Applications approved by OSFM will be forwarded to the Authority. The Authority will review the ~~loan application~~ Application and any supplemental information provided in connection with ~~each loan application~~ the Application, including, without limitation, financial statements and certifications and assurances provided by officers of the ~~applicant~~ Applicant, and any related Board-approved ordinances, resolutions, tax levies, budgets or other pertinent documents necessary to evaluate legal authorization and determine creditworthiness of the ~~applicant~~ Applicant.

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- c) The Authority, after completion of its review, will notify OSFM of which ~~loan applications~~ Applications have been approved. OSFM will notify each ~~applicant~~ Applicant of the approval or disapproval of its ~~application~~ Application. Applicants who are not approved may request reconsideration of the determination of OSFM or the Authority by following the Request for Reconsideration procedures established by OSFM (see 41 Ill. Adm. Code 290.60).

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 1100.817 Funding Criteria and Credit Review Process

In addition to the ~~loan application~~ Application review criteria developed by OSFM (see 41 Ill. Adm. Code 290.55), the credit review process and ~~funding~~ financing criteria approved by the Authority for this Program are as follows:

- a) The Authority's ~~Chief Financial Officer~~ Treasurer, or his or her designee, will serve as an ex officio, non-voting member of OSFM's Loan Application Review Committee for the purpose of reviewing submitted loan documentation to ensure that all documents necessary for the Authority to initiate its credit and due diligence review are present (see 41 Ill. Adm. Code 290.40).
- b) If an ~~applicant~~ Applicant is delinquent on a previous loan funded by the Authority, the ~~applicant~~ Applicant shall be automatically disqualified from ~~funding~~ financing under this Program until any loan repayment delinquency has been cured.
- c) The ~~applicant~~ Applicant must demonstrate its ability to meet at least one of the following minimum debt service coverage requirements:
- 1) General fund revenues or specified revenue stream: 1.25x; or
  - 2) State intercept revenues: 1.25x; or
  - 3) Direct property levy for the loan: 1.00x.
- d) The ~~applicant~~ Applicant must submit supporting documentation for the source of repayment as follows:
- 1) For general fund or specified revenues, submit a current ~~board~~ Board-approved budget that reflects the identified revenue source and amount; or

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- 2) For direct property tax levy (i.e., general obligation), submit a copy of the levy and the ordinance authorizing the levy prior to the funding date.
- e) If the ~~applicant's~~ Applicant's repayment source is property tax receipts, the ~~applicant's~~ Applicant's actual property tax collections over the past three fiscal years must exceed 95% of the total possible tax collection.
- f) The ~~applicant~~ Applicant must provide a resolution or ordinance approved by ~~the applicant's~~ its Board that includes the following approvals:
  - 1) Loan Application;
  - 2) Loan Agreement;
  - 3) Sources and amounts of repayment;
  - 4) State intercept agreement; and
  - 5) Lien on the ~~fire truck or brush truck~~ Fire Truck or Brush Truck purchased, if required by the Authority.
- g) Each loan must be secured by the ~~applicant's~~ Applicant's:
  - 1) General funds or, if available, a direct property tax levy or State revenue intercept; and
  - 2) Possession of the title to the property or an Authority lien on the equipment purchased, if the Authority, in its sole discretion, decides to accept such a lien.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.820 Loan Documents and Servicing**

- a) ~~Loan applications~~ Applications approved by OSFM and the Authority will be submitted to the Authority to prepare loan documentation ~~and funding~~. Subject to the availability of funds, the Authority will prepare the loan documentation, including, without limitation, a Loan Agreement to evidence the loan.
- b) The loan documentation will be provided to the ~~applicant~~ Applicant for execution. Upon execution of the loan documentation, subject to the availability of funds, the Authority will execute the loan documentation and cause the loan to be funded.

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- c) The Authority will retain the executed loan documents and will service funded loans.
- d) The Authority reserves the right to charge an origination/processing fee of up to \$500 per ~~applicant~~ Applicant that receives an approved loan. The amounts attributable to this origination/processing fee ~~shall~~ may be deducted from the loan proceeds released upon closing and funding of the loan or may otherwise be paid by the Applicant, at the Authority's discretion.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. , effective )

**Section 1100.825 Repayment Procedures**

- a) Loans shall be repaid within 20 years, except that loans to finance acquisition of ~~brush trucks~~ Brush Trucks shall be repaid within 10 years.
- b) For the purchase of ~~brush trucks by a fire department~~ Brush Trucks by a Fire Department, the Program shall provide loans at a 2% rate of simple interest per year if both the ~~brush truck~~ Brush Truck chassis and the apparatus are built outside of Illinois; a 1% rate of simple interest per year if either the ~~brush truck~~ Brush Truck chassis or the apparatus is built in Illinois; or a 0% rate if both the ~~brush truck~~ Brush Truck chassis and the apparatus are built in Illinois. The applicable interest rate shall be fixed and remain in effect for the term of the loan.
- c) The rate of interest on loans under the Program, except for ~~brush trucks~~ Brush Trucks, will be a 0% fixed interest rate (and remain in effect until the final maturity date of the loan) unless the ~~applicant~~ Applicant has one or more investment grade credit ratings (i.e., at or above "Baa3" or "BBB-" or the equivalent) from any nationally recognized municipal credit rating agency. The applicable interest rate shall be fixed and remain in effect until the final maturity date of the loan.
- d) For ~~applicants~~ Applicants that do not qualify for 0% loans pursuant to subsection (c), the interest rate shall be determined as follows:
  - 1) The interest rate will be set each January 1 for loans that are documented and funded during that calendar year;
  - 2) The interest rate will be equivalent to 50% of the mean of the Bond Buyer's 20-Bond General Obligation Index for the 12 month period that ended September 30 of the prior calendar year ~~(and will represent the~~

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~~interest rates in effect as of October 1 of each year under the Illinois Environmental Protection Agency's State Revolving Fund/Clean Water Initiative Programs); and~~

- 3) The loans will bear interest on a simple interest basis. The applicable interest rate shall be fixed and remain in effect until the final maturity date of the loan.
- e) Payments on the loan (principal and accrued interest, if any) shall be made ~~on an annual basis in equal installments in compliance with the Act and~~ as provided in the Loan Agreement with the Authority. The Authority shall deposit the payments received into the Fire Truck Revolving Loan Fund in accordance with the Act, if required by law.
- 1) Loan payments shall be due on November 1 of each year, with the initial payment due based on the ~~loan funding date~~Funding Date, as follows:
    - A) If the time period between ~~loan funding date~~Funding Date and the immediately following November 1 is 180 days or more, the first payment shall be due on November 1 immediately following the ~~loan funding date~~Funding Date; or
    - B) If the time period between the ~~loan funding date~~Funding Date and the immediately following November 1 is less than 180 days, the first payment shall be due on the second November 1 immediately following the Funding Date.
  - 2) After the first payment is made, succeeding payments shall be due on each November 1 until repaid in full.
  - 3) Payments shall be made payable to the "Illinois Finance Authority - Fire Truck Revolving Loan Fund", with payments submitted by wire transfer, by electronic funds transfer (automated clearing house), or by check pursuant to instructions provided in the annual invoice on each loan.
  - 4) Payments not received within 15 calendar days after the due date shall be assessed a penalty of 5% of the payment amount due. Nevertheless, this late payment penalty shall be waived whenever the postmark date on an envelope used to submit a payment by check is dated a minimum of five days or more before the end of the 15 calendar day grace period. Payments remitted via wire transfer shall not be assessed late payment penalty if the

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wire transfer payment is received before the end of the 15-day grace period.

- 5) A ~~recipient~~Recipient may prepay all or a portion of the balance due on the loan, without penalty, on any date, provided that the ~~recipient~~Recipient initiates contact with the Authority to obtain the total amount of the principal and accrued interest, if any, due on the repayment date.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.830 Terms and Conditions of Loan Agreement**

A loan application approved by OSFM and the Authority is subject to the following terms:

- a) Loan proceeds under this Program shall be used exclusively for the eligible expenditures listed in Section 1100.810 and shall be expended in accordance with the approved ~~application~~Application and the ~~recipient's~~Recipient's policies and procedures related to those expenditures. In the event that the loan proceeds are not expended in the manner approved, the ~~recipient~~Recipient, upon written notification from the Authority, shall be required to submit, by the next payment due date, payment of the outstanding principal and accrued interest, if any, of the loan.a)
- b) Loan proceeds shall be obligated no later than six months following the ~~loan funding date~~Funding Date.
- c) Proof of use of loan proceeds for the funded ~~zero-interest loan or low-interest loan~~Zero-Interest Loan or Low-Interest Loan shall be provided to the Authority and OSFM in writing pursuant to terms specified in the Loan Agreement.
- d) Loan proceeds shall be included in the ~~recipient's~~Recipient's budget.
- e) If a payment delinquency or default is not cured within 90 calendar days by payment of the amount owed to the Authority, the Authority shall notify the Office of the Comptroller to deduct the amount owed from any payments by the State to the ~~recipient~~Recipient. OSFM and/or the Authority may avail themselves of all remedies, rights and provisions of law applicable in these circumstances. Failure to exercise any rights or remedies provided by law may not be used as a defense by the ~~recipient~~Recipient in any proceeding brought against it by OSFM or the Authority.

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(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))



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SUBPART G: AMBULANCE REVOLVING LOAN PROGRAM

**Section 1100.900 Definitions**

~~The following definitions apply in this Subpart:~~

Words defined in the Illinois Finance Authority Act and in Section 1100.50 have the same meaning when used in this Subpart unless a different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Ambulance" means an on-road vehicle that is specifically designed, constructed or modified and equipped and is intended to be used for and is maintained or operated for the emergency transportation of persons who are sick, injured, wounded or otherwise incapacitated or helpless.

"Applicant" means a ~~unit of local government~~Unit of Local Government, including any municipality (i.e., city, village or town), township, township fire department, or special district (including but not limited to those described in 55 ILCS 100/1001 and 60 ILCS 1/195-5 and 200-13) such as a fire protection district or special ambulance service district, ~~that operates a fire department~~Fire Department or provides fire suppression services itself without contracting those services from another ~~entity~~Person, or ~~an entity~~a Person that provides ambulance services or emergency medical services that does not earn and distribute taxable business earnings to shareholders or principals of the business and is in good standing as a not-for-profit business with the Illinois Secretary of State.

~~"Authority" means the Illinois Finance Authority created by the Illinois Finance Authority Act [20 ILCS 3501] or its successor agency.~~

"Board" means the governing body of the ~~entity~~Applicant receiving the loan.

"Fire Department" means a fire department, fire protection district, or township fire department that is a unit of local government (as defined in Article VII, Section 1 of the Illinois Constitution of 1970 and in 5 ILCS 70/1.28) in Illinois that provides fire suppression within a geographical area. For purposes of this Part, "Fire Department" is defined to include volunteer fire departments and volunteer fire protection districts (that are ~~units of local government~~Units of Local Government).

"Fund" means the Ambulance Revolving Loan Fund.

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"Funding Date" means the date on which a ~~zero-interest loan or low-interest loan~~ Zero-Interest Loan or Low-Interest Loan is closed and funded.

"Low-Interest Loan" means a loan with a fixed rate of interest lower than commercially available.

"OSFM" means the Office of the State Fire Marshal.

"Program" means the Illinois Ambulance Revolving Loan Program.

"Recipient" means an ~~applicant~~ Applicant that has successfully applied for and received all required approvals from OSFM and the Authority, agreed to and executed loan documentation prepared by the Authority, and closed and funded its ~~ambulance~~ Ambulance loan.

"Zero-Interest Loan" means a loan bearing a zero percent rate of interest for the duration of the loan.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 1100.903 Severability

If any Section, subsection, sentence or clause of this Subpart ~~shall be is~~ held by a court of competent jurisdiction to be invalid, that holding shall not affect the remaining portions of this Subpart.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 1100.905 Purpose

- a) OSFM and the Authority may jointly administer a Program to provide ~~zero-interest loans or low-interest loans~~ Zero-Interest Loans or Low-Interest Loans to eligible ~~applicants~~ Applicants to finance or reimburse all or a portion of the cost of purchasing ~~ambulances~~ Ambulances subject to availability of funds.
- b) For-profit entities are not eligible to apply for a loan under this Program. Units of local government that do not operate ~~fire departments~~ Fire Departments are similarly not eligible (e.g., a municipality that contracts for ~~ambulance~~ Ambulance services from another municipality or fire protection district is ineligible).

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(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.910 Eligible Expenditures**

- a) Subject to the availability of funds, loans are available to be made under the Program for ~~zero interest loans and low interest loans to applicants~~ Zero-Interest Loans and Low-Interest Loans to Applicants for the purchase of ~~ambulances~~ Ambulances as deemed eligible under OSFM's administrative rules at 41 Ill. Adm. Code 292.20 and 292.30.
- b) Loan proceeds may be used to pay off a loan that was obtained no more than one year prior to the receipt of a loan under this Program if the loan being paid off was obtained to purchase the ~~ambulance~~ Ambulance that is the subject of the ~~application~~ Application that was approved under this Program.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.915 Loan Application Review**

- a) Applications for loans to be made pursuant to the Program shall be submitted to OSFM on forms provided by, and following the procedures established by, OSFM and the Authority. Each ~~application~~ Application shall be reviewed by OSFM. OSFM will determine, based on equipment needs, financial need, and how recently the ~~applicant~~ Applicant has received a previous loan under this Program, which eligible ~~applicant or applicants~~ Applicant or Applicants shall be recommended to the Authority to receive a loan under this Program for the purchase of an ~~ambulance~~ Ambulance.
- b) Applications approved by OSFM will be forwarded to the Authority. The Authority will review the ~~loan application~~ Application and any information provided in connection with the ~~loan application~~ Application, including, without limitation, financial statements and certifications and assurances provided by officers of the ~~applicant~~ Applicant, and any related Board-approved ordinances, resolutions, tax levies, budgets or other pertinent documents necessary to evaluate legal authorization and creditworthiness of the ~~applicant~~ Applicant.
- c) The Authority, after completion of its review, will notify OSFM of which ~~loan applications~~ Applications have been approved. OSFM will notify each ~~applicant~~ Applicant of the approval or disapproval of its ~~application~~ Application. Applicants who are not approved may request reconsideration of the determination of OSFM.

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or the Authority by following the Request for Reconsideration procedure established by OSFM (see 41 Ill. Adm. Code 292.70).

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.917 Funding Criteria and Credit Review Process**

In addition to the Criteria for Review of Loan Applications developed by OSFM (see [41 Ill. Adm. Code 292.60](#)), the credit review process and ~~funding-financing~~ criteria approved by the Authority for this Program are as follows:

- a) The Authority's ~~Executive Director~~[Chief Financial Officer](#), or his or her designee, will serve as an ex officio, non-voting member of OSFM's Loan Application Review Committee for the purpose of reviewing submitted loan documentation to ensure that all documents necessary for the Authority to initiate its credit and due diligence review are present (see [41 Ill. Adm. Code 292.40](#)).
- b) If an ~~applicant~~[Applicant](#) is delinquent on a previous loan funded by the Authority, the ~~applicant~~[Applicant](#) shall be automatically disqualified from ~~funding-financing~~ under this Program until any loan repayment delinquency has been cured.
- c) The ~~applicant~~[Applicant](#) must demonstrate its ability to meet at least one of the following minimum debt service coverage requirements:
  - 1) General fund revenues or specified revenue stream: 1.25x; or
  - 2) State intercept revenues: 1.25x; or
  - 3) Direct property levy for the loan: 1.00x.
- d) The ~~applicant~~[Applicant](#) must submit supporting documentation for the source of repayment as follows:
  - 1) For general fund or specified revenues, submit a current Board-approved budget that reflects the identified revenue sources and amounts; or
  - 2) For direct property tax levy (i.e., general obligation), submit a copy of the levy and the ordinance authorizing the levy prior to the funding date.

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- e) If the ~~applicant's~~ Applicant's repayment source is property tax receipts, the ~~applicant's~~ Applicant's actual property tax collections over the past three fiscal years must exceed 95% of the total possible tax collection.
- f) The ~~applicant~~ Applicant must provide a resolution or ordinance approved by the ~~applicant's~~ Applicant's Board that includes the following approvals:
- 1) Loan Application;
  - 2) Loan Agreement;
  - 3) Sources and amounts of repayment;
  - 4) State intercept agreement; and
  - 5) Lien on the ~~ambulance~~ Ambulance purchased, if required by the Authority.
- g) Each loan must be secured by the ~~applicant's~~ Applicant's:
- 1) General funds or, if available, a direct property tax levy or State revenue intercept; and
  - 2) Possession of the title to the property or an Authority lien on the equipment purchased, if the Authority, in its sole discretion, decides to accept such a lien.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. , effective )

**Section 1100.920 Loan Documents and Servicing**

- a) ~~Loan applications~~ Applications approved by OSFM and the Authority will be submitted to the Authority to prepare loan documentation ~~and funding~~. Subject to the availability of funds, the Authority will prepare the loan documentation, including, without limitation, the Loan Agreement to evidence the loan.
- b) The loan documentation will be provided to the ~~applicant~~ Applicant for execution. Upon execution of the loan documentation, subject to the availability of funds, the Authority will execute the loan documentation and cause the loan to be funded.
- c) The Authority will retain the executed loan documents and will service funded loans.

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- d) The Authority reserves the right to charge an origination/processing fee of up to \$500 per ~~applicant~~Applicant that receives an approved loan. The amounts attributable to this origination/processing fee ~~shall~~may be deducted from the loan proceeds released upon closing and funding of the loan or otherwise may be paid by the Applicant, at the Authority's discretion.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.925 Repayment Procedures**

- a) Loans shall be repaid within 10 years.
- b) The rate of interest on loans under the Program will be a 0% fixed interest rate (and remain in effect for the duration of the loan) unless the ~~applicant~~Applicant has one or more investment grade credit ratings (i.e., at or above “Baa3” or “BBB-” or the equivalent) from any nationally recognized municipal credit rating agency.
- c) For ~~applicants~~Applicants that do not qualify for zero-percent loans pursuant to subsection (b), the interest rate shall be determined as follows:
- 1) ~~The~~the interest rate will be set each January 1 for loans that are documented and funded during that calendar year;
  - 2) ~~The~~the interest ~~rate~~rate will be equivalent to 50% of the mean of the Bond Buyer's 20-Bond General Obligation Index for the 12 month period that ended September 30 of the prior calendar year ~~(and will represent the interest rates in effect as of October 1 of each year under the Illinois Environmental Protection Agency's State Revolving Fund/Clean Water Initiative Program);~~and
  - 3) ~~The~~3) the loans will bear a fixed interest rate on a simple interest basis. The applicable interest rate shall be in effect for the duration of the loan.
- d) Payments on the loan (principal and accrued interest, if any) shall be made ~~on an annual basis in equal installments in accordance with the Act and~~ as provided in the Loan Agreement with the Authority. The Authority shall deposit the payments received into the Ambulance Revolving Loan Fund in accordance with the Act, if required by law.

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- 1) Loan payments shall be due on November 1 of each year with the initial payment due based on the ~~loan funding date~~ Funding Date as follows:
  - A) If the time period between the ~~the loan funding date~~ Funding Date and the immediately following November 1 is 180 days or more, the first payment shall be due on November 1 immediately following the ~~loan funding date~~ Funding Date; or
  - B) If the time period between the ~~loan funding date~~ Funding Date and the immediately following November 1 is less than 180 days, the first payment shall be due on the second November 1 immediately following the ~~loan funding date~~ Funding Date.
- 2) After the first payment is made, succeeding payments shall be due on each November 1 until repaid in full.
- 3) Payments shall be made payable to the "Illinois Finance Authority - Ambulance Revolving Loan Fund" with payments submitted by wire transfer, by electronic funds transfer (automated clearing house), or by check pursuant to instructions provided in the annual invoice on each loan.
- 4) Payments not received within 15 calendar days after the due date shall be assessed a penalty of 5% of the payment amount due. Nevertheless, this late payment penalty shall be waived whenever the postmark date on the envelope used to submit the payment is dated five days or more before the end of the 15-day grace period. Payments remitted via wire transfer shall not be assessed late payment penalty if the wire transfer payment is received before the end of the 15-day grace period.
- 5) Recipient may prepay all or a portion of the balance due on the loan, without penalty, on any date, provided that the ~~recipient~~ Recipient first contacts the Authority to obtain the total amount of the principal and accrued interest, if any, due on the repayment date.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. , effective )

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**Section 1100.930 Terms and Conditions of Loan Agreement**

A loan application approved by OSFM and the Authority is subject to the following terms:

- a) Loan proceeds under this Program shall be used exclusively for the purposes listed in Section 1100.910 and shall be expended in accordance with the approved ~~application~~ Application and the ~~recipient's~~ Recipient's policies and procedures related to those expenditures. In the event that the loan proceeds are not expended in the manner approved, the ~~recipient~~ Recipient, upon written notification from the Authority, shall be required to submit, by the next payment due date, payment of the outstanding principal and accrued interest, if any, of the loan.
- b) Loan proceeds shall be obligated no later than six months following the ~~loan funding date~~ Funding Date.
- c) Proof of use of loan proceeds for the funded ~~zero-interest or low-interest loan~~ Zero-Interest Loan or Low-Interest Loan shall be provided to the Authority and OSFM in writing pursuant to terms specified in the Loan Agreement.
- d) Loan proceeds shall be included in the ~~recipient's~~ Recipient's budget.
- e) If a payment delinquency or default is not cured within 90 calendar days by payment of the amount owed to the Authority, the Authority shall notify the Office of the Comptroller to deduct the amount owed from any payments by the State to the ~~recipient~~ Recipient. OSFM and/or the Authority may avail themselves of all remedies, rights and provisions of law applicable in these circumstances. Failure to exercise any rights or remedies provided by law may not be used as a defense by the ~~recipient~~ Recipient in any proceeding brought against it by OSFM or the Authority.

(Source: Amended at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)



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SUBPART K: FIRE STATION REVOLVING LOAN PROGRAM

**Section 1100.1000. Definitions**

~~The following definitions apply in this Subpart:~~

Words defined in the Act and in Section 1100.50 have the same meaning when used in this Subpart unless a different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

"Act" means the Fire Sprinkler Dormitory Act [110 ILCS 47].

"Applicant" means a ~~post-secondary educational institution~~ Post-Secondary Educational Institution applying to OSFM and the Authority for a low interest loan under the Program.

"Application" means an application filed by an Applicant seeking financing from the sale of Bonds of the Authority or under any other lending program administered by the Authority. The form of the application may be amended from time to time.

~~"Authority" means the Illinois Finance Authority created by the Illinois Finance Authority Act [20 ILCS 3501] or its successor agency.~~

"Fire Sprinkler System" means a fire sprinkler system located in an existing or newly constructed dormitory or residence hall of a ~~post-secondary educational institution~~ Post-Secondary Educational Institution that has received the permits, certifications and inspections required by federal, State and local law, rule, guideline or ordinance.

"Fund" means the Fire Sprinkler Dormitory Revolving Loan Fund.

"Low Interest Loan" means a loan with a rate of interest to be charged under the Program as determined by the Board of the Authority at the time of the loan approval, at a rate lower than current market rates.

"OSFM" means the Office of the State Fire Marshal.

"Post-Secondary Educational Institution" means an Illinois public or private college or university offering degrees and instruction above the high school level. This term does not include:

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any public or private college or university that does not provide on-campus housing for its students in dormitories or equivalent facilities that are owned, operated or maintained by the public or private college or university;

any public or private junior college or community college; or

any institution offering degrees and instruction that uses correspondence as its primary mode of student instruction.

"Program" means the Illinois Fire Sprinkler Dormitory Revolving Loan Program authorized by the Act and outlined in this Subpart.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.1005. Purpose**

OSFM and the Authority will jointly administer a Program to provide ~~low interest loans to post-secondary educational institutions~~ [Low Interest Loans to Post-Secondary Educational Institutions](#), the proceeds of which ~~shall~~ must be used to pay all or any portion of the costs associated with planning, purchasing, installing, upgrading, altering, modifying, fixing or repairing a ~~fire sprinkler system~~ [Fire Sprinkler System](#). OSFM will determine loan awards based on system needs, financial need and how recently the ~~applicant~~ [Applicant](#) has received a previous loan under this Program, supplemented by recommendations from the Authority based on creditworthiness. Low ~~interest loans~~ [Interest Loans](#) for the purchase of ~~fire sprinkler systems~~ [Fire Sprinkler Systems](#) may not exceed \$1,000,000 in any single fiscal year to any ~~post-secondary educational institution~~ [Post-Secondary Educational Institution](#).

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.1010. Eligible Expenditures**

Subject to the availability of monies in the Fund, ~~low interest loans to post-secondary educational institutions~~ [Low Interest Loans to Post-Secondary Educational Institutions](#) will be available for the purpose of paying all or a portion of the costs associated with planning, purchasing, installing, upgrading, altering, modifying, fixing or repairing a ~~fire sprinkler system~~ [Fire Sprinkler System](#).

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

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**Section 1100.1015. Loan Application Review**

- a) Applications by ~~post-secondary educational institutions for low interest loans~~ Post-Secondary Educational Institutions for Low Interest Loans to be made pursuant to the Program shall be submitted to OSFM on forms provided by, and following the procedures established by, OSFM. Each ~~application~~ Application shall be reviewed by OSFM. OSFM will determine, based on system needs, financial need and how recently the ~~applicant~~ Applicant has received a previous loan under this Program, which eligible ~~post-secondary educational institution~~ Post-Secondary Educational Institution will be recommended to the Authority to receive a ~~low interest loan~~ Low Interest Loan under this Program.
- b) Applications approved by OSFM will be forwarded to the Authority. The Authority will review the ~~low interest loan application~~ Application and any information provided in connection with the ~~application~~ Application, including, without limitation, financial statements, certifications and assurances provided by officers of the ~~post-secondary educational institution~~ Post-Secondary Educational Institution to determine the creditworthiness of the institution.
- c) The Authority, after completion of its review of the ~~applicant's~~ Applicant's creditworthiness, will notify OSFM of which ~~loan applications~~ Applications have been approved. OSFM will notify each ~~applicant~~ Applicant of the approval or disapproval of its ~~application~~ Application. Applicants who are not approved may appeal the determination of OSFM by following the appeal process established by OSFM.
- d) In the event that ~~applications for low interest loans~~ Applications for Low Interest Loans exceed available funds, OSFM and the Authority will jointly determine criteria for the award based on the financial need of the ~~applicant~~ Applicant and other criteria that may be deemed appropriate by OSFM and the Authority.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1017. Funding Criteria and Credit Review Process**

In addition to the criteria developed by OSFM, the credit review process and ~~funding~~ financing criteria approved by the Authority for this Program are as follows:

- a) If an ~~applicant~~ Applicant is delinquent on a previous loan under the Program, the ~~applicant~~ Applicant is automatically disqualified for an additional ~~low interest loan~~ Low Interest Loan from the Program until it is current on its loan repayment.

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- b) Applicants are eligible for only one loan under the Program within any fiscal year.
- c) The ~~applicant-Applicant~~ must demonstrate its ability to meet at least one of the following minimum debt service coverage requirements:
- 1) General fund revenues or specified revenue stream: 1.25x; or
  - 2) State intercept revenues: 1.25x.
- d) Prior to funding, the ~~applicant-Applicant~~ must submit supporting documentation for the source of repayment of the ~~low interest loan-Low Interest Loan~~ as follows:
- 1) For general fund or specified revenues, submit a current board-approved budget that reflects the identified revenue source and amount; or
  - 2) For direct property tax levy, submit a copy of the levy and the ordinance or resolution authorizing the levy.
- e) If the ~~applicant's-Applicant's~~ repayment source is property tax receipts, the ~~applicant's-Applicant's~~ actual property tax collections over the past three fiscal years must exceed 95% of the total possible tax collection.
- f) The ~~applicant-Applicant~~ must provide a resolution or ordinance approved by the ~~applicant's-Applicant's~~ Board that includes the following approvals:
- 1) Loan application, approved by OSFM and the Authority in the fiscal year in which the low interest loan is to be awarded;
  - 2) Loan Agreement;
  - 3) Source and amount of repayment; and
  - 4) State intercept agreement.
- g) Each loan must be secured by the ~~applicant's-Applicant's~~:
- 1) General funds or, if available, a direct property tax levy; and/or
  - 2) State revenue intercept agreement; and/or
  - 3) A mortgage on the real property on which the ~~fire sprinkler system-Fire Sprinkler System~~ is located.

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- h) The Authority Board will approve loans made under the Program by resolution.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.1020. Loan Documents and Servicing**

- a) Approved ~~loan applications~~ [Applications](#) will be submitted to the Authority for documentation ~~and funding~~. Subject to the availability of monies in the Fund, the Authority will prepare a loan agreement, ~~—~~ evidencing the loan to the ~~post-secondary educational institution~~ [Post-Secondary Educational Institution](#).
- b) The loan documents will be provided to the ~~post-secondary educational institution~~ [Post-Secondary Educational Institution](#) for execution. Upon execution of the loan documents, subject to the availability of monies in the Fund, the Authority will execute the loan documents and cause the loan to be funded.
- c) The Authority will retain the executed loan documents, as well as evidence of security supporting the loan, and will service funded loans under the Program.
- d) The Authority reserves the right to charge an origination/processing fee of up to \$5,000 per ~~applicant~~ [Applicant](#) that receives an approved loan.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; [amended at 44 Ill. Reg. \\_\\_\\_\\_\\_, effective \\_\\_\\_\\_\\_](#))

**Section 1100.1025. Repayment Procedures**

- a) The maturity date of the loans shall be determined by OSFM and the Authority, but ~~shall~~ [may](#) not exceed 20 years.
- b) Payments of principal and interest on the loan shall be made ~~according to in~~ [accordance with](#) the [Act and a](#) schedule determined by OSFM and the Authority. The Authority will provide invoices to loan recipients for those payments. Payments shall be made to the Illinois Finance Authority. Payments not received within 15 calendar days after the due date shall be assessed a penalty of 5 percent of the payment due; however, the late payment penalty will be waived when the postmark date on the envelope used to submit the payment is five days or more before the end of the 15-day grace period.
- c) A ~~post-secondary educational institution~~ [Post-Secondary Educational Institution](#) may prepay the balance due on the loan in its entirety, or a portion of the balance,

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on any scheduled payment date, provided that the ~~post-secondary educational institution~~ Post-Secondary Educational Institution first contacts the Authority to obtain the total amount of the principal due at that time.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1030. Terms and Conditions of Loan Agreement**

An approved loan is subject to the following terms:

- a) Loan proceeds under this Program ~~shall~~ must be used exclusively for the purposes listed in Section 1100.1005 and shall be expended in accordance with the approved ~~application~~ Application and the ~~applicant's~~ Applicant's policies and procedures related to the expenditures. In the event the loan proceeds are not expended in the manner approved, then the ~~post-secondary educational institution~~ Post-Secondary Educational Institution, upon written notification from OSFM, shall, within 90 calendar days after the date of the notification, submit payment of the outstanding principal of the loan.
- b) Loan proceeds shall be spent no later than six months following the receipt of the loan.
- c) Use of loan proceeds ~~shall~~ must be accounted for in accordance with standard accounting practices. Loan recipients shall submit to OSFM a report detailing how the loan proceeds were used. This expenditure report, to be submitted on a form supplied by OSFM, shall be due not later than nine months following receipt of the loan.
- d) In the event of a default that is not cured within 90 calendar days, OSFM shall notify the Office of the Comptroller to deduct the amount owed from any payments from other State agencies, if any, and the ~~post-secondary educational institution~~ Post-Secondary Educational Institution shall be ineligible for additional loans until good standing has been restored. In addition, OSFM and/or the Authority may avail itself of all remedies, rights and provisions of law applicable in the circumstances, and the failure to exercise or exert any rights or remedies provided by law may not be raised as defense by the ~~post-secondary educational institution~~ Post-Secondary Educational Institution in default.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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SUBPART K: FIRE STATION REVOLVING LOAN PROGRAM

**Section 1100.1100 Definitions**

~~The following definitions apply in this Subpart:~~

Words defined in the Act and in Section 1100.50 have the same meaning when used in this Subpart unless a different definition is prescribed in this Section. This Section establishes additional definitions for use in this Subpart only.

“Applicant” means a ~~unit of local government~~Unit of Local Government, including any municipality, township, township fire department, or special district such as a fire protection district, ~~that operates a fire department~~Fire Department or provides fire suppression services itself without contracting those services from another ~~entity~~Person.

~~“Authority” means the Illinois Finance Authority created by the Illinois Finance Authority Act [20 ILCS 3501] or its successor agency.~~

“Board” means the governing body of the ~~entity~~Applicant receiving the loan.

“Fire Department” means a fire department, fire protection district, or township fire department that is a unit of local government (as defined in Article VII, Section 1 of the Illinois Constitution of 1970 and in Section 1.28 of the Statute on Statutes [5 ILCS 70/1.28] in Illinois that provides fire suppression within a geographical area. For purposes of this Part, “Fire Department” is defined to include volunteer fire departments and volunteer fire protection districts ~~(that are units of local government)~~Units of Local Government.

"Fire Station" means a building or structure set aside for storage of firefighting apparatus, personal protective equipment, fire hose, and other fire extinguishing equipment. It may also include dormitory living facilities and work areas such as offices, meeting rooms, workshops, kitchens or laundry facilities. The term includes additions to existing buildings as well as new construction.

"Fund" means the Fire Station Revolving Loan Fund.

“Funding Date” means the date on which a ~~zero-interest or low-interest loan~~Zero-Interest Loan or Low-Interest Loan is closed and funded.

"Low Interest Loan" means a loan with a fixed rate of interest lower than commercially available.

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"OSFM" means the Office of the State Fire Marshal.

"Program" means the Illinois Fire Station Revolving Loan Program.

"Recipient" means an ~~applicant~~ Applicant that has successfully applied for and received all required approvals from OSFM and the Authority, agreed to and executed loan documentation prepared by the Authority, and closed and funded its ~~fire station~~ Fire Station loan.

"Zero-Interest Loan" means a loan bearing a zero percent rate of interest for the duration of the loan.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1103\_ Severability**

If any Section, subsection, sentence or clause this Subpart ~~shall be~~ is held by a court of competent jurisdiction to be invalid, that holding shall not affect the remaining portions of this Subpart.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1105\_ Purpose**

- a) OSFM and the Authority may jointly administer a program to provide ~~zero-interest or low-interest loans~~ Zero-Interest Loans or Low-Interest Loans to eligible ~~applicants~~ Applicants to finance or reimburse all or a portion of the costs associated with the construction, rehabilitation, remodeling or expansion of a ~~fire station~~ Fire Station or acquisition of land for the construction or expansion of a ~~fire station~~ Fire Station, subject to the availability of funds. Loans for the purpose of a ~~fire station~~ Fire Station ~~shall~~ may not exceed \$2,000,000 per ~~fire department~~ Fire Department.
- b) For-profit entities, nonprofit entities, associations and/or not-for-profit corporations are not eligible to apply for a loan under this Program. Units of local government that do not operate ~~fire departments~~ Fire Departments are similarly not eligible (e.g., a municipality that contracts for fire suppression from another municipality or fire protection district).



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(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1110 Eligible Expenditures**

(a) Subject to availability of funds, loans are available to be made under the Program for ~~zero interest or low interest loans to applicants~~ Zero-Interest Loans or Low-Interest Loans to Applicants for the construction, rehabilitation, remodeling or expansion of a Fire Station or acquisition of land for the construction or expansion of a Fire Station as deemed eligible under OSFM's administrative rules at 41 Ill. Adm. Code 294.120 and 294.130.

~~fire station~~ (b) Loan proceeds may be used to pay off a loan that was obtained no more than one year prior to the receipt of a loan under this Program if the loan being paid off was obtained to finance in whole or in part the construction, rehabilitation, remodeling or expansion of a Fire Station or acquisition of land for the construction or expansion of a fire station Fire Station that is the subject of the Application that was approved under this Program.

(Source: Added at 34 Ill. Reg. 3272, effective February 23, 2010; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1115 Loan Application Review**

- a) Applications for loans to be made pursuant to the Program shall be submitted to OSFM on forms provided by, and following the procedures established by, OSFM and the Authority. Each ~~application~~ Application shall be reviewed by OSFM. OSFM will determine, based on ~~equipment needs~~ the Applicant's need for a new, expanded, remodeled or rehabilitated Fire Station, financial need, and how recently the ~~applicant~~ Applicant has received a previous loan under this Program, which eligible ~~applicant or applicants~~ Applicant or Applicants shall be recommended to the Authority for further consideration to receive a loan under this Program to finance the construction, rehabilitation, remodeling or expansion of a ~~fire station~~ Fire Station or acquisition of land for the construction or expansion of a ~~fire station~~ Fire Station.
- b) Applications approved by OSFM will be forwarded to the Authority. The Authority will review the ~~loan application~~ Application and any supplemental information provided in connection with the ~~loan application~~ Application, including, without limitation, financial statements and certifications and assurances provided by officers of the ~~applicant~~ Applicant, and any related Board-approved ordinances, resolutions, tax levies, budgets, or other pertinent

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documents to evaluate legal authorization and determine the creditworthiness of the ~~applicant~~Applicant.

- c) The Authority, after completion of its review, will notify OSFM of which ~~loan applications~~Applications have been approved. OSFM will notify each ~~applicant~~Applicant of the approval or disapproval of its ~~application~~Application. Applicants who are not approved may request reconsideration of the determination of OSFM or the Authority by following the request for reconsideration process established by OSFM (see 41 Ill. Adm. Code 294.170).

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_))

**Section 1100.1117\_ Funding Criteria and Credit Review Process**

In addition to the ~~loan application~~Application review criteria developed by OSFM (see 41 Ill. Adm. Code 294.160), the credit review process and ~~funding~~financing criteria approved by the Authority for this Program are as follows:

- a) The Authority's ~~Executive Director~~Chief Financial Officer, or his or her designee, will serve as an ex officio, non-voting member of ~~the~~ OSFM's Loan Application Review Committee for the purpose of reviewing submitted loan documentation to ensure that all documents necessary for the Authority to initiate its credit and due diligence review are present (see 41 Ill. Adm. Code 294.140).
- b) If an ~~applicant~~Applicant is delinquent on a previous loan funded by the Authority, the ~~applicant~~Applicant shall be automatically disqualified from ~~funding~~financing under this Program until any loan repayment delinquency has been cured.
- c) The ~~applicant~~Applicant must demonstrate its ability to meet at least one of the following minimum debt service coverage requirements:
- 1) General fund revenues or specified revenue stream: 1.25x; or
  - 2) State tax intercept revenues: 1.25x; or
  - 3) Direct property tax levy for the loan: 1.00x.
- d) The ~~applicant~~Applicant must submit supporting documentation for the sources of repayment as follows:

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- 1) For general fund or specified revenues, submit a current Board-approved budget that reflects the identified revenue sources and amounts; or
  - 2) For direct property tax levy (i.e., general obligation), submit a copy of the levy and the ordinance authorizing the levy prior to the funding date.
- e) If the ~~applicant's~~ Applicant's repayment source is property tax receipts, the ~~applicant's~~ Applicant's average actual property tax collections over the past three fiscal years must exceed 95% of the total possible tax collection.
- f) The ~~applicant~~ Applicant must provide a resolution or ordinance approved by the ~~applicant's~~ Applicant's Board that includes the following approvals:
- 1) Loan Application;
  - 2) Loan Agreement;
  - 3) Sources and amounts of repayment;
  - 4) State ~~tax revenue~~ intercept agreement; and
  - 5) Mortgage on the ~~fire station~~ Fire Station constructed, rehabilitated, remodeled or expanded, or mortgage on the land acquired for the construction or expansion of a ~~fire station~~ Fire Station, if required by the Authority.
- g) Each loan must be secured by the ~~applicant's~~ Applicant's:
- 1) General funds or, if available, a direct property tax levy or State ~~tax~~ revenue intercept; and
  - 2) ~~Possession of a~~ A mortgage ~~to on~~ the subject real estate, if the Authority, in its sole discretion, decides to accept such a mortgage.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1120 Loan Documents and Servicing**

- a) ~~Loan applications~~ Applications approved by OSFM and the Authority will be submitted to the Authority to prepare loan documentation ~~and funding~~. Subject to the availability of funds, the Authority will prepare the loan documentation;

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including, without limitation, a Loan Agreement to evidence the loan and, if required by the Authority, a mortgage on the subject real estate.

- b) The loan documentation will be provided to the ~~applicant~~ Applicant for execution. Upon execution of the loan documentation, subject to the availability of funds, the Authority will execute the loan documentation and cause the loan to be funded.
- c) The Authority will retain the executed loan documents and will service funded loans.
- d) The Authority reserves the right to charge an origination/processing fee of up to \$500 per ~~applicant~~ Applicant that receives an approved loan. The amounts ~~shall attributable to this origination/processing fee may~~ be deducted from the loan proceeds released upon closing and funding of the loan or may otherwise be paid by the Applicant, at the Authority's discretion.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1125\_ Repayment Procedures**

- a) Loans shall be repaid within 25 years. In accordance with Section 825-81 of the Act, a Recipient shall repay each year at least 4% of the principal amount borrowed or the remaining balance of the loan, whichever is less.
- b) The rate of interest on loans under the Program will be 0% unless the ~~applicant~~ Applicant has one or more investment grade credit ratings (i.e., at or above "Baa3" or "BBB-" or the equivalent) from any nationally recognized municipal credit rating agency.
- c) For ~~applicants~~ Applicants that do not qualify for a 0% fixed interest rate loan pursuant to subsection (b), the interest rate shall be determined as follows:
  - 1) ~~The-the~~ interest rate will be set each January 1 for loans that are documented and funded during that calendar year;
  - 2) ~~The-the~~ interest rate will be equivalent to 50% of the mean of the Bond Buyer's 20-Bond General Obligation Index for the 12 month period that ended September 30 of the prior calendar year ~~(and will represent the interest rates in effect as of October 1 of each year under the Illinois Environmental Protection Agency's State Revolving Fund/Clean Water Initiative Programs);; and~~

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- 3) ~~The 3) the~~ loans will bear interest on a simple interest basis. The applicable interest rate shall be fixed and remain in effect ~~for until~~ the ~~duration final maturity date~~ of the loan.
- d) Payments on the loan (principal and accrued interest, if any) shall be made ~~on an annual basis in equal installments in accordance with the Act and~~ as provided in the Loan Agreement with the Authority. ~~The Authority will provide invoices to loan recipients on an annual basis.~~ The Authority shall deposit the payments received into the Fire Station Revolving Loan Fund in accordance with the Act, if required by law.
- e) Loan payments shall be due on November 1 of each year.
- 1) The ~~first initial~~ payment shall be due ~~based on the Funding Date~~ as follows:
- A) If the time period between the ~~loan funding date~~ Funding Date and the immediately following November 1 is 180 days or more, the first payment shall be due on November 1 immediately following the ~~loan funding date~~ Funding Date; or
- B) If the time period between the ~~loan funding date~~ Funding Date and the immediately following November 1 is less than 180 days, the first payment shall be due on the second November 1 immediately following the ~~loan funding date~~ Funding Date.
- 2) After the first payment is made, succeeding payments shall be due on each November 1 until repaid in full.
- f) Payments shall be made payable to the "Illinois Finance Authority - Fire Station Revolving Loan Fund" with payments submitted ~~either~~ by wire transfer, by electronic funds transfer (automated clearing house), or by check pursuant to instructions provided in the annual invoice on each loan.
- g) Payments not received within 15 calendar days after the due date shall be assessed a penalty of 5% of the payment amount due. Nevertheless, the late payment penalty shall be waived whenever the postmark date on an envelope used to submit a payment by check is dated a minimum of five days ~~or more~~ before the end of the 15 calendar day grace period. Payments remitted via wire transfer shall not be assessed late payment penalty if the wire transfer payment is received before the end of the 15-day grace period.

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- h) A ~~recipient~~Recipient may prepay all or a portion of the balance due on the loan, without penalty, on any date, provided that the ~~recipient~~Recipient initiates contact with the Authority to obtain the total amount of the principal and accrued interest, if any, due on the repayment date.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1100.1130 Terms and Conditions of Loan Agreement**

A loan ~~application~~Application approved by OSFM and the Authority is subject to the following terms:

- a) Loan proceeds under this Program ~~shall~~must be used exclusively for the purposes listed in Section 1100.1110 and ~~shall~~must be expended in accordance with the approved ~~application~~Application and the ~~recipient's~~Recipient's policies and procedures related to those expenditures. ~~In the event that~~If the loan proceeds are not expended in the manner approved, the ~~recipient~~Recipient, upon written notification from the Authority, shall be required to submit, by the next payment due date, payment of the outstanding principal and accrued interest, if any, of the loan.
- b) Loan proceeds shall be obligated no later than 12 months following the ~~loan funding date~~Funding Date.
- c) Proof of use of loan proceeds for the funded ~~zero interest or low interest loan~~Zero-Interest Loan or Low-Interest Loan must be provided to the Authority and OSFM in writing pursuant to terms specified in the Loan Agreement.
- d) Loan proceeds shall be reflected in the ~~recipient's~~Recipient's budget.
- e) If a loan payment delinquency or default is not cured within 90 calendar days by payment of the amount owed to the Authority, the Authority shall notify the Office of the Comptroller to deduct the amount owed from any payments by the State to the ~~recipient~~Recipient. OSFM and/or the Authority may avail themselves of all remedies, rights and provisions of law applicable in these circumstances. Failure to exercise any rights or remedies provided by law may not be used as a defense by the ~~recipient~~Recipient in any proceeding brought against it by OSFM or the Authority.

(Source: Added at 39 Ill. Reg. 4924, effective March 19, 2015; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**TAB 9: FIRE MARSHAL IGA**

**ILLINOIS FINANCE AUTHORITY**  
**Memorandum**

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: June 9, 2020

Re: Resolution Granting Executive Director Authorization to Act on Behalf of Illinois Finance Authority to Negotiate and Execute an Intergovernmental Agreement with the Office of the State Fire Marshal ("OSFM") for the Fire Truck Revolving Loan Program, Ambulance Revolving Loan Program, and Related OSFM Programs

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**Background:**

The Illinois Finance Authority (“**IFA**”) and the Office of the State Fire Marshal (“**OSFM**”) jointly administer the Fire Truck Revolving Loan Program (the “**Fire Truck Program**”), the Fire Station Revolving Loan Program (the “**Fire Station Program**”) and the Ambulance Revolving Loan Program (the “**Ambulance Program**”) (collectively the “**Fire Marshal Programs**”), as defined in the Illinois Finance Authority Act, 20 ILCS 3501/801 et seq. (the “**IFA Act**”). The Fire Marshal Programs have offered zero-interest or low-interest loans to fire departments, fire protection districts, and township fire departments for the purchase of fire trucks and brush trucks, the construction, rehabilitation, remodeling, or expansion of a fire station or the acquisition of land for the construction or expansion of a fire station, or the purchase of ambulances by a fire department, a fire protection district, or a township fire department. Non-profit ambulance services may also utilize the Ambulance Program for the purchases of ambulances.

OSFM is responsible for undertaking a technical review of applications received in connection with the Fire Marshal Programs. Thereafter, applications are presented to IFA for prospective funding. IFA is responsible for evaluating the creditworthiness of each proposed loan. IFA’s goal for the Fire Marshal Programs has been to assist OSFM in deploying available funds to smaller, under-resourced fire departments, fire protection districts, township fire departments and non-profit ambulance services.

**Program History:**

Effective July 2005, Public Act 94-221 created the Fire Truck Program. The maximum loan amount is currently \$350,000 while the maximum loan term is 20 years (most loans are for terms of between 10 years and 20 years).

Effective August 2009, Public Act 96-135 created the Fire Station Program. The maximum loan amount is currently \$2,000,000 while the maximum loan term is 25 years. Under the IFA Act, debt service must include principal repayment of at least 4% per annum.

Effective January 2013, Public Act 97-901 created the Ambulance Program. The maximum loan amount is currently \$200,000 while the maximum loan term is 10 years. Under the IFA Act, debt service must include principal repayment of at least 5% per annum.

**Resolution Authorizing Negotiation and Execution of an Intergovernmental Agreement with OSFM:**

The accompanying Resolution authorizes IFA’s Executive Director to negotiate and execute an Intergovernmental Agreement (“**IGA**”) with OSFM. Provisions of this IGA would apply to the Fire Truck Program, Fire Station Program and Ambulance Program.



The current IGA was entered into on April 8, 2014 and has been renewed for successive one-year periods. The new agreement will have a term from its effective date until June 30, 2025, but may after that be renewed for one-year periods upon agreement by the parties.

IFA does not anticipate any substantive changes from the current IGA with the OSFM. The major provisions of both IGA's include:

- Deposits to the Revolving Funds established for this program (the Fire Truck Revolving Loan Fund, the Fire Station Revolving Loan Fund, and the Ambulance Revolving Loan Fund) shall be used only to fund loans to borrowers participating in the respective Loan Programs.
- Loans are made at 0% interest unless the recipient is Baa3 or BBB- rated or higher, or for brush trucks not wholly built in Illinois.
- The Authority's Executive Director, or a designee, may sit *ex officio* on the review committees for each Fund in order to ensure that all documentation necessary for the Authority to conduct its due diligence loan review are present.
- Provisions for joint cooperation in program promotion, marketing, and the filing of rules for administration of the programs.

Some technical changes will clean up and clarify language from the current IGA.

**RESOLUTION NO. 2020-0609-GP09**

**RESOLUTION GRANTING EXECUTIVE DIRECTOR AUTHORIZATION TO ACT ON BEHALF OF ILLINOIS FINANCE AUTHORITY TO NEGOTIATE AND EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE STATE FIRE MARSHAL ("OSFM") FOR THE FIRE TRUCK REVOLVING LOAN PROGRAM, AMBULANCE REVOLVING LOAN PROGRAM, AND RELATED OSFM PROGRAMS**

**WHEREAS**, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act"); and

**WHEREAS**, the Fire Truck Revolving Loan Program has been established under the Act and jointly administered by the Authority and the Office of the Illinois State Fire Marshal ("OSFM") to provide loans for the purchase of fire trucks or brush trucks by a fire department, a fire protection district, or a township fire department (the "Fire Truck Program"); and

**WHEREAS**, the Fire Station Revolving Loan Program has been established under the Act and jointly administered by the Authority and OSFM for the construction, rehabilitation, remodeling, or expansion of a fire station or the acquisition of land for the construction or expansion of a fire station by a fire department, a fire protection district, or a township fire department (the "Fire Station Program"); and

**WHEREAS**, the Ambulance Revolving Loan Program has been established under the Act and jointly administered by the Authority and OSFM for the purchase of ambulances by a fire department, a fire protection district, a township fire department, or a non-profit ambulance service (the "Ambulance Program", and together with the Fire Truck Program and the Fire Station Program, the "Fire Marshal Programs"); and

**WHEREAS**, the Authority's goal for Fire Marshal Programs has been to assist OSFM in deploying funds to smaller, under-resourced fire departments, fire protection districts, township fire departments and non-profit ambulance services; and

**WHEREAS**, it is in the best interest of the Authority and OSFM to achieve optimal results through negotiation and execution of an Intergovernmental Agreement; and

**WHEREAS**, the Executive Director of the Authority (the "Executive Director") has taken certain actions from time to time regarding the Fire Marshal Programs, all in accordance with the wishes of the Authority and may continue to do so; and

**WHEREAS**, the Members of the Authority, acting pursuant to their power to adopt this Resolution pursuant to the provisions of Sections 801-25, 801-30 and 801-40 of the Act, hereby grant the Executive Director authorization to negotiate and execute an Intergovernmental Agreement on behalf of the Authority with OSFM with regard to ongoing management and administration of the Fire Marshal Programs;

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:**

**Section 1. Recitals.** The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

**Section 2. Ratification of Past Actions.** The Authority hereby accepts and ratifies all actions taken by the Executive Director prior to the date of this Resolution for the Fire Marshal Programs.

**Section 3. Clarification with Regard to All Future Action Taken by the Executive Director.** The Authority does hereby authorize, empower and direct the Executive Director to take or cause to be taken any and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, including but not limited to the Intergovernmental Agreement with OSFM as authorized herein, instruments, certificates and other documents, and to pay all such fees and expenses, as he may deem necessary, appropriate or advisable in order to administer the Fire Marshal Programs.

**Section 4. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

**Section 5. Conflicts.** All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

**Section 6. Immediate Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

This Resolution No. 2020-0609-GP09 approved and effective this 9th day of June, 2020 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Assistant Secretary

[SEAL]

**TAB 10: FISCAL YEAR 2021 MEETING SCHEDULE**

**RESOLUTION No. 2020-0609-GP10**

**RESOLUTION APPROVING THE SCHEDULE  
OF REGULAR MEETINGS FOR FISCAL YEAR 2021**

**WHEREAS**, the Illinois Finance Authority (the "Authority") was created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the "IFA Act"), as a body politic and corporate of the State of Illinois and is authorized by the laws of the State of Illinois;

**WHEREAS**, it is the public policy of the State of Illinois that public bodies exist to aid in the conduct of the people's business and that the people have a right to be informed as to the conduct of their business;

**WHEREAS**, in order that the people shall be informed, it is the public policy of the State of Illinois that its citizens shall be given advance notice of and the right to attend all meetings at which any business of a public body is discussed or acted upon in any way;

**WHEREAS**, the Illinois Open Meetings Act, 20 ILCS 120/ et seq. as amended (the "Open Meetings Act") was created to implement these public policies;

**WHEREAS**, pursuant to the Illinois Open Meetings Act, the Authority is a public body;

**WHEREAS**, pursuant to the Illinois Open Meetings Act, every public body shall give public notice of the schedule of regular meetings at the beginning of each calendar or fiscal year and shall state the regular dates, times, and places of such meetings.

**NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY AS FOLLOWS:**

**Section 1. Authority.** This Resolution is adopted pursuant to Section 801-15 and Section 801-25 of the IFA Act. The preambles to this resolution are incorporated by reference as part of this resolution.

**Section 2. Approval of Regular Meeting Dates, Times, and Places.** The Authority approves the dates, times, and places of regular meetings attached as Exhibit A, provided that the Authority reserves the right to cancel or reschedule regular meetings in accordance with the notice and posting requirements of the Open Meetings Act.

**Section 3. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

**Section 4. Enactment.** This Resolution shall take effect immediately.

This Resolution No. 2020-0609-GP10 is approved and effective this 9th day of June, 2020 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

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Executive Director

[SEAL]

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Assistant Secretary

**EXHIBIT A**

**REGULAR MEETINGS FOR FISCAL YEAR 2021**



Fiscal Year 2021

**PUBLIC NOTICE OF REGULARLY SCHEDULED MEETINGS OF THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY**

During Fiscal Year 2021, the regular meetings of the Members of the Illinois Finance Authority (the “Authority”) will be held on the scheduled dates at the times and places listed below.

An agenda for each regular meeting will be posted at the principal office of the Authority, at the location where the meeting is to be held, and at [www.il-fa.com](http://www.il-fa.com) at least 48 hours in advance of the meeting.

Please check [www.il-fa.com](http://www.il-fa.com) for updates to times or locations of regular meetings. Unless otherwise noted, regular meetings of the Members will be constituted with a quorum of Members physically present at one of the following locations:

- Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, IL 60601-3124 (the “IFA Chicago Office”); or
- Other locations to be announced.

**ILLINOIS FINANCE AUTHORITY  
MEETINGS OF THE MEMBERS  
9:30 AM**

**Tuesday, July 14, 2020**

IFA Chicago Office

**Tuesday, August 11, 2020**

IFA Chicago Office

**Tuesday, September 8, 2020**

IFA Chicago Office

**Tuesday, October 13, 2020**

IFA Chicago Office

**Tuesday, November 10, 2020**

IFA Chicago Office

**Tuesday, December 8, 2020**

IFA Chicago Office

**Tuesday, January 12, 2021**

IFA Chicago Office

**Tuesday, February 9, 2021**

IFA Chicago Office

**Tuesday, March 9, 2021**

IFA Chicago Office

**Tuesday, April 13, 2021**

IFA Chicago Office

**Tuesday, May 11, 2021**

IFA Chicago Office

**Tuesday, June 8, 2021**

IFA Chicago Office

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) as well as pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend any meeting and needing special accommodations should contact Mari Money at the Illinois Finance Authority by calling (312)651-1319, TTY (800) 526-0844.



**TAB: FINANCIAL STATEMENTS  
(AND SUPPLEMENTARY INFORMATION)**

Date: June 9, 2020

To: Eric Anderberg, Chairman  
James J. Fuentes  
Michael W. Goetz  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
J. Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

From: Ximena Granda, Manager of Finance and Administration

Subject: *Presentation and Consideration of Financial Reports as of May 31, 2020\*\**

**\*\*All information is preliminary and unaudited.**

## **1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. **Total Annual Revenues** of \$4.3 million were \$105 thousand or 2.4% higher than budget primarily due to **higher** than expected investment income. Closing fees year-to-date of \$2.3 million are \$117 thousand or 4.9% **lower** than budget. Annual fees of \$211 thousand are \$13 thousand higher than budget while Administrative Service Fees of \$189 thousand are \$31 thousand or 14% lower than budget. Application fees total \$40 thousand which is \$21 thousand higher than budget. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$422 thousand (which has represented a declining asset since 2014). Net investment income position of \$1.2 million for the fiscal year is \$242 thousand higher than budget.\*
- b. In **May** the Authority recorded closing fees of \$73 thousand which was lower than the monthly budgeted amount of \$218 thousand.
- c. **Total Annual Expenses** of \$3.8 million were \$566 thousand or 12.9% lower than budget, which was mostly driven by below budget spending on employee related expenses and professional services. Year-to-date, employee related expenses total \$2.3 million or \$286 thousand or 10.9% lower than budget. Professional services expenses total \$964 thousand or \$245 thousand or 20.3% lower than budget. Annual occupancy costs of \$170 thousand are 3.0% higher than budget, while general and administrative costs are \$340 thousand for the year, which is 9.8% lower than budget. Total depreciation cost of \$16 thousand is 13.0% below budget.
- d. In **May** the Authority recorded operating expenses of \$341 thousand, which was lower than the monthly budgeted amount of \$400 thousand.
- e. **Total Monthly Net Loss** of -\$195 thousand was due to lower than expected closing fees.

**\* Governmental Accounting Standards Board (GASB) Statement No. 31.** This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.



- f. **Total Annual Net Income** is \$461 thousand. The major driver of the annual positive bottom line is the level of overall spending at 12.9% below budget, as well as higher than expected net interest and investment income.

## **2. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION**

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$60.1 million. Total assets in the General Fund are \$60.5 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$47.9 million (with \$4.0 million in cash). Notes receivable from the former Illinois Rural Bond Bank local governments (“IRBB”) total \$7.3 million. Participation loans, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are \$4.6 million.

## **3. YEAR-TO-DATE ACTIVITY FOR ALL OTHER FUNDS**

Financial information for all other funds is not available at this time.

## **4. AUTHORITY AUDITS AND REGULATORY UPDATES**

The Authority participated in the entrance conference for its Fiscal Year 2020 Financial Audit on May 13, 2020. The financial audit remains at an early stage as Authority staff continues to provide various documents to the external auditors upon their request while working remotely. Nevertheless, Authority staff has been effective in its roles and responsibilities in response to these requests from the external auditors.

CMS Internal Auditors continue to work on the Revenues, Receivables and Receipts Audit and the Transformation Audit. The Authority anticipates completing these two audits by the end of the fiscal year.

## **5. OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2020 Bonds Issued, and Schedule of Debt are being presented as supplementary financial information in your Board book.

Respectfully submitted,

/s/ Ximena Granda

Manager of Finance and Administration



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND NET INCOME**  
**GENERAL OPERATING FUND**  
**FOR FISCAL YEAR 2020 AS OF MAY 31, 2020**  
**(PRELIMINARY AND UNAUDITED)**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)	
<b>Operating Revenues:</b>																
Closing Fees	\$ 63,918	\$ 128,243	\$ 2,600	\$ 466,000	\$ 437,701	\$ 494,818	\$ 4,414	\$ 93,191	\$ 287,353	\$ 228,255	\$ 73,048	\$ 2,279,541	\$ 2,396,537	\$ (116,996)	-4.9%	
Annual Fees	20,242	17,983	19,227	18,239	18,225	25,821	19,336	21,926	16,800	16,540	16,781	211,120	198,000	13,120	6.6%	
Administrative Service Fees	-	30,000	10,000	12,000	-	3,000	58,000	36,200	15,000	25,000	-	189,200	220,000	(30,800)	-14.0%	
Application Fees	1,000	16,750	2,450	3,000	5,600	1,750	1,300	3,750	1,200	250	2,500	39,550	18,337	21,213	115.7%	
Miscellaneous Fees	114	107	-	-	499	-	114	-	107	-	-	941	1,837	(896)	-48.8%	
Interest Income-Loans	40,375	39,864	40,127	42,695	37,558	40,807	38,891	34,816	35,715	35,544	35,598	421,990	654,390	(232,400)	-35.5%	
Other Revenue	125	128	123	123	122	121	120	119	119	118	117	1,335	1,375	(40)	-2.9%	
<b>Total Operating Revenue:</b>	<b>\$ 125,774</b>	<b>\$ 233,075</b>	<b>\$ 74,527</b>	<b>\$ 542,057</b>	<b>\$ 499,705</b>	<b>\$ 566,317</b>	<b>\$ 122,175</b>	<b>\$ 190,002</b>	<b>\$ 356,294</b>	<b>\$ 305,707</b>	<b>\$ 128,044</b>	<b>\$ 3,143,677</b>	<b>\$ 3,490,476</b>	<b>\$ (346,799)</b>	<b>-9.9%</b>	
<b>Operating Expenses:</b>																
Employee Related Expense	\$ 188,470	\$ 203,812	\$ 202,650	\$ 205,644	\$ 220,718	\$ 221,466	\$ 233,598	\$ 228,557	\$ 228,776	\$ 209,291	\$ 200,077	\$ 2,343,059	\$ 2,629,385	\$ (286,326)	-10.9%	
Professional Services	53,500	70,140	56,297	71,148	155,912	130,129	84,725	73,508	78,331	98,627	91,799	964,116	1,209,087	(244,971)	-20.3%	
Occupancy Costs	13,146	15,935	12,670	15,583	13,932	14,411	14,367	19,112	13,908	15,036	21,461	169,561	164,560	5,001	3.0%	
General & Administrative	28,909	28,106	30,024	29,697	31,884	39,377	29,047	34,171	33,965	29,388	25,903	340,471	377,663	(37,192)	-9.8%	
Depreciation and Amortization	1,386	1,437	1,437	1,437	1,437	1,437	1,463	1,463	1,463	1,463	1,536	15,959	18,337	(2,378)	-13.0%	
<b>Total Operating Expense</b>	<b>\$ 285,411</b>	<b>\$ 319,430</b>	<b>\$ 303,078</b>	<b>\$ 323,509</b>	<b>\$ 423,883</b>	<b>\$ 406,820</b>	<b>\$ 363,200</b>	<b>\$ 356,811</b>	<b>\$ 356,443</b>	<b>\$ 353,805</b>	<b>\$ 340,776</b>	<b>\$ 3,833,166</b>	<b>\$ 4,399,032</b>	<b>\$ (565,866)</b>	<b>-12.9%</b>	
<b>Operating Income(Loss)</b>	<b>\$ (159,637)</b>	<b>\$ (86,355)</b>	<b>\$ (228,551)</b>	<b>\$ 218,548</b>	<b>\$ 75,822</b>	<b>\$ 159,497</b>	<b>\$ (241,025)</b>	<b>\$ (166,809)</b>	<b>\$ (149)</b>	<b>\$ (48,098)</b>	<b>\$ (212,732)</b>	<b>\$ (689,489)</b>	<b>\$ (908,556)</b>	<b>\$ 219,067</b>	<b>24.1%</b>	
<b>Nonoperating Revenues (Expenses)</b>																
Miscellaneous Non-Operatg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	(36,674)	36,674	-100.0%	
Interest and Investment Income	74,257	68,209	89,029	66,575	56,057	97,643	80,233	71,452	85,473	81,375	59,958	830,261	945,230	(114,969)	-12.2%	
Realized Gain (Loss) on Sale of Invest	(2,678)	1,103	(6,785)	2,569	59	(3,727)	(439)	41	2,321	(2,726)	(2,053)	(12,315)	-	(12,315)	n/a	
Net Appreciation (Depr) in FV of Invest	(9,285)	95,877	(26,422)	42,742	(35,908)	3,056	40,841	100,641	161,904	(1,187)	(39,831)	332,428	-	332,428	n/a	
<b>Total Nonoperating Rev (Exp)</b>	<b>\$ 62,294</b>	<b>\$ 165,189</b>	<b>\$ 55,822</b>	<b>\$ 111,886</b>	<b>\$ 20,208</b>	<b>\$ 96,972</b>	<b>\$ 120,635</b>	<b>\$ 172,134</b>	<b>\$ 249,698</b>	<b>\$ 77,462</b>	<b>\$ 18,074</b>	<b>\$ 1,150,374</b>	<b>\$ 908,556</b>	<b>\$ 241,818</b>	<b>26.6%</b>	
<b>Net Income (Loss) Before Transfers</b>	<b>\$ (97,343)</b>	<b>\$ 78,834</b>	<b>\$ (172,729)</b>	<b>\$ 330,434</b>	<b>\$ 96,030</b>	<b>\$ 256,469</b>	<b>\$ (120,390)</b>	<b>\$ 5,325</b>	<b>\$ 249,549</b>	<b>\$ 29,364</b>	<b>\$ (194,658)</b>	<b>\$ 460,885</b>	<b>\$ -</b>	<b>\$ 460,885</b>	<b>n/a</b>	
<b>Transfers:</b>																
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	
<b>Total Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>	
<b>Net Income (Loss)</b>	<b>\$ (97,343)</b>	<b>\$ 78,834</b>	<b>\$ (172,729)</b>	<b>\$ 330,434</b>	<b>\$ 96,030</b>	<b>\$ 256,469</b>	<b>\$ (120,390)</b>	<b>\$ 5,325</b>	<b>\$ 249,549</b>	<b>\$ 29,364</b>	<b>\$ (194,658)</b>	<b>\$ 460,885</b>	<b>\$ -</b>	<b>\$ 460,885</b>	<b>n/a</b>	



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
 May 31, 2020  
 (PRELIMINARY AND UNAUDITED)

	<b>FUND</b>
<b>Assets and Deferred Outflows:</b>	
<b>Current Assets Unrestricted:</b>	
Cash & cash equivalents	4,005,414
Investments	25,133,200
Receivables from pending investment sales	-
Accounts receivable, Net	13,464
Loans receivables, Net	7,378
Accrued interest receivable	445,758
Bonds and notes receivable	-
Due from other funds	17
Prepaid Expenses	148,477
<b>Total Current Unrestricted Assets</b>	<b>\$ 29,753,708</b>
<b>Restricted:</b>	
Cash & Cash Equivalents	\$ -
Investments	-
Bonds and notes receivable from State component units	-
Loans receivables, Net	-
<b>Total Current Restricted Assets</b>	<b>\$ -</b>
<b>Total Current Assets</b>	<b>\$ 29,753,708</b>
<b>Non-current Assets:</b>	
<b>Unrestricted:</b>	
Investments	\$ 18,714,618
Loans receivables, Net	4,588,832
Bonds and notes receivable	7,349,537
Due from other local government agencies	-
<b>Total Noncurrent Unrestricted Assets</b>	<b>\$ 30,652,987</b>
<b>Restricted:</b>	
Cash & Cash Equivalents	\$ -
Investments	-
Loans receivables, Net	-
Bonds and notes receivable from State component units	-
<b>Total Noncurrent Restricted Assets</b>	<b>\$ -</b>
<b>Capital Assets</b>	
Capital Assets	
Accumulated Depreciation	\$ 769,008
<b>Total Capital Assets</b>	<b>(723,398)</b>
<b>Total Noncurrent Assets</b>	<b>\$ 30,698,597</b>
<b>Total Assets</b>	<b>\$ 60,452,305</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred loss on debt refunding	\$ -
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>
<b>Total Assets &amp; Deferred Inflows of Resources</b>	<b>\$ 60,452,305</b>



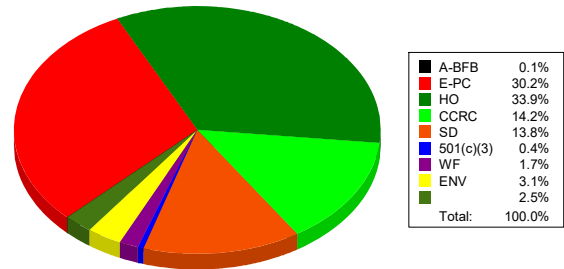
**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
 May 31, 2020  
 (PRELIMINARY AND UNAUDITED)

	<b>FUND</b>
<b>Liabilities:</b>	
<b>Current Liabilities:</b>	
Payable from unrestricted current assets:	
Accounts payable	\$ 24,887
Payables from pending investment purchases	-
Accrued liabilities	97,869
Due to employees	116,560
Due to primary government	1
Due to other funds	-
Payroll Taxes Liabilities	25,956
Unearned revenue, net of accumulated amortization	79,025
<b>Total Current Liabilities Payable from Unrestricted Current Assets</b>	<b>\$ 344,298</b>
Payable from restricted current assets:	
Accounts payable	-
Obligation under securities lending of the State Treasurer	-
Accrued interest payable	\$ -
Due to other funds	-
Due to primary government	-
Current portion of long term debt	-
Other liabilities	-
Unamortized bond premium	-
<b>Total Current Liabilities Payable from Restricted Current Assets</b>	<b>\$ -</b>
<b>Total Current Liabilities</b>	<b>\$ 344,298</b>
<b>Noncurrent Liabilities</b>	
Payable from unrestricted noncurrent assets:	
Noncurrent payables	\$ 585
Accrued liabilities	-
Bonds and notes payable from primary government	-
Bonds and notes payable from State component units	-
Noncurrent loan reserve	-
<b>Assets</b>	<b>\$ 585</b>
Payable from restricted noncurrent assets:	
Noncurrent payables	-
<b>Total Noncurrent Liabilities Payable from Restricted Noncurrent</b>	<b>\$ -</b>
<b>Total Noncurrent Liabilities</b>	<b>\$ 585</b>
<b>Total Liabilities</b>	<b>\$ 344,883</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
<b>Net Position:</b>	
Net Investment in Capital Assets	\$ 45,610
Restricted for Low Income Community Investments	-
Unrestricted	59,600,927
Current Change in Net Position	460,885
<b>Total Net Position</b>	<b>\$ 60,107,422</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 60,452,305</b>

## Bonds Issued as of May 31, 2020

**Current Fiscal Year**

#	Market Sector	Principal Issued
8	Agriculture - Beginner Farmer	1,964,950
8	Education	492,934,000
4	Healthcare - Hospital	553,877,000
6	Healthcare - CCRC	231,810,882
1	501(c)(3) Not-for-Profit	6,595,000
5	Local Gov't-School Districts	225,850,000
1	Water Facilities	28,500,000
1	Environmental issued under 20 IL CS 3515/3	50,000,000
2	Property Assessed Clean Energy	41,240,000
<b>36</b>		<b>\$ 1,632,771,832</b>

**Bonds Issued in Fiscal Year 2020**


### Bonds Issued between July 01, 2019 and May 31, 2020

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bond	07/01/2019	Variable	1,964,950	0
E-PC Roosevelt University	07/03/2019	Fixed at Schedule	117,830,000	117,830,000
HO Rush University Medical Center	08/29/2019	Variable	36,752,000	0
SD Elmhurst Community School District 205	08/20/2019	Fixed at Schedule	55,495,000	0
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village	10/25/2019	Variable	23,608,000	0
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village	10/25/2019	Variable	25,000,000	25,000,000
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village	10/25/2019	Variable	5,119,000	5,119,000
ENV Waste Management Inc.	10/30/2019	Fixed at Schedule	50,000,000	0
PACE RCP Hotel Owners LLC	11/08/2019	Fixed at Constant	21,250,000	0
SD Maine Township High School District Number 207	11/13/2019	Fixed at Constant	78,120,000	0
WF American Water Capital Corp.	11/14/2019	Fixed at Schedule	28,500,000	28,500,000
E-PC Columbia College Chicago	11/20/2019	Fixed at Schedule	18,035,000	0
SD Township High School District Number 86	12/10/2019	Fixed at Schedule	31,475,000	0
PACE SFA Partner	12/11/2019	Fixed at Constant	19,990,000	0
CCRC Lutheran Life Communities	12/12/2019	Fixed at Schedule	153,360,000	111,850,000
CCRC Lutheran Life Communities	12/12/2019	Variable	659,012	0
CCRC Lutheran Life Communities	12/12/2019	Variable	24,064,870	24,064,870

501(c)(3)	Notre Dame College Prep	12/19/2019	Fixed at Schedule	6,595,000	6,595,000
E-PC	Illiois Institute of Technology	12/20/2019	Fixed at Schedule	122,915,000	122,915,000
SD	Downers Grove Community High School District #99	02/04/2020	Fixed at Schedule	60,370,000	0
SD	Downers Grove Community High School District #99	02/04/2020	Fixed at Schedule	390,000	0
E-PC	Roosevelt University	03/10/2020	Variable	10,000,000	0
E-PC	Roosevelt University	03/10/2020	Variable	2,000,000	0
E-PC	University of Chicago	03/18/2020	Fixed at Schedule	164,555,000	0
E-PC	University of St. Francis	04/01/2020	Variable	36,075,000	35,768,484
HO	North Shore University Healthcare System	05/01/2020	Fixed at Schedule	380,410,000	317,275,000
HO	North Shore University Healthcare System	05/01/2020	Variable	68,380,000	67,800,000
HO	North Shore University Healthcare System	05/01/2020	Variable	68,335,000	67,730,000
HO	North Central College	05/28/2020	Fixed at Schedule	21,524,000	0

Total Bonds Issued as of May 31, 2020      \$ 1,632,771,832      \$ 930,447,354

**Legend** Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.

Beginner Farmer Bonds interest rates are shown in section below.

### Beginner Farmer Bonds Funded between July 01, 2019 and May 31, 2020

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Brian J. Kropf	07/19/2019	5.0	295,700	47.00	Henry
Kevin M. Hinds	08/22/2019	4.5	180,000	32.00	Charleston
Dane J & Jennifer L. Milleville	12/27/2019	3.00	215,000	70.00	Effingham
Joshua N. Elsberry	12/27/2019	3.70	97,250	27.00	Edgar
Brandon Fredrickson	03/31/2020	4.15	303,000	35.00	Warren
Christopher & Karen Jones	03/31/2020	3.25	377,000	80.00	Woodford
Jason Haas	03/31/2020	3.25	377,000	80.00	Woodford
Kyle P. Owens	04/14/2020	3.50	120,000	12.77	Macoupin
<b>Total Beginner Farmer Bonds Issued</b>			<u><u>\$ 1,964,950</u></u>	<u><u>383.77</u></u>	

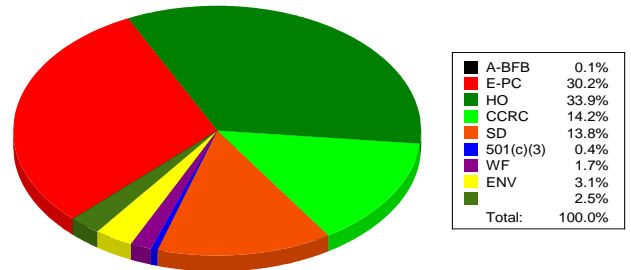


## Bonds Issued - Fiscal Year Comparison for the Period Ending May 31, 2020

### Fiscal Year 2020

#	Market Sector	Principal Issued
8	Agriculture - Beginner Farmer	1,964,950
8	Education	492,934,000
4	Healthcare - Hospital	553,877,000
6	Healthcare - CCRC	231,810,882
5	Local Government Schools	225,850,000
1	501(c)(3) Not-for-Profit	6,595,000
1	Water Facilities	28,500,000
1	Environmental issued under 20 ILCS 3515/9	50,000,000
2	Property Assessed Cleann Energy	41,240,000
<b>36</b>		<b>\$1,632,771,832</b>

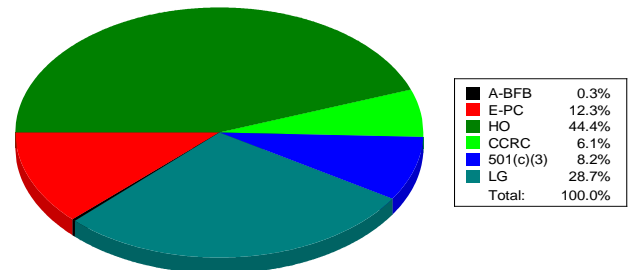
### Bonds Issued in Fiscal Year 2020



### Fiscal Year 2019

#	Market Sector	Principal Issued
22	Agriculture - Beginner Farmer	5,501,225
10	Education	253,055,000
7	Healthcare - Hospital	914,840,000
2	Healthcare - CCRC	125,815,000
5	501(c)(3) Not-for-Profit	168,995,094
1	Local Government	590,960,000
<b>47</b>		<b>\$ 2,059,166,319</b>

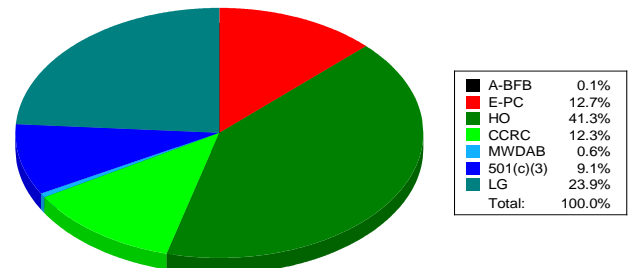
### Bonds Issued in Fiscal Year 2019



### Fiscal Year 2018

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	2,749,725
5	Education	403,755,000
7	Healthcare - Hospital	1,308,930,000
5	Healthcare - CCRC	388,700,000
1	Midwest Disaster Area Bonds	20,200,000
7	501(c)(3) Not-for-Profit	288,464,000
5	Local Government	758,930,000
<b>45</b>		<b>\$ 3,171,728,725</b>

### Bonds Issued in Fiscal Year 2018



\* Powers to issue Bonds under the Illinois Environmental Facilities Financing Act ("IEFFA" 20 ILCS 3515/2 et seq.) and its predecessor authority date to the early 1970s. In 1984, the powers under this Act became part of the Authority's predecessor, Illinois Development Finance Authority, which in turn was consolidated into the Authority in 2004. Under IEFFA, the Authority has an additional \$2.5 billion in bond issuance limit in addition to the \$28.15 billion under the Authority Act. This is also reflected in the Schedule of Debt. Generally, projects under IEFFA are for private companies that access federal tax-exemption through Volume Cap provided by the federal government through the State. IEFFA-financed pollution control facilities projects are separate and distinguishable from the generally public projects financed through the State Revolving Fund on behalf of the Illinois Environmental Protection Agency.

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

Total debt issued under the Illinois Finance Authority Act which does not constitute a debt of the Authority or the State of Illinois or any political subdivision thereof within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or any political subdivision thereof, or grant to the owners thereof any right to have the Authority or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon, with the exception of certain debt identified below in Section I (a), Section I (b), and Section I (c), and is subject to the Authority's \$28,150,000,000 total bond limitation [20 ILCS 3501/845-5(a)]:

Section I	Principal Outstanding		Total Program Limitations	Total Remaining Capacity	
	June 30, 2019	May 31, 2020			
<b>Illinois Finance Authority "IFA"</b>					
Agriculture <sup>[b]</sup>	\$ 53,266,941	\$ 53,735,629			
Education	4,679,948,609	4,545,415,693			
Healthcare	14,180,988,971	14,324,940,024			
Industrial Development [includes Recovery Zone/Midwestern Disaster]	807,109,575	798,389,537			
Local Government	1,581,555,000	1,832,800,000			
Multifamily/Senior/Not-for Profit Housing	275,223,392	272,337,716			
501(c)(3) Not-for Profits	1,517,487,613	1,437,013,118			
Exempt Facilities Bonds	203,500,000	232,000,000			
Student Housing	260,400,000	257,830,000			
<b>Total IFA Principal Outstanding</b>	<b>23,559,480,101</b>	<b>23,754,461,716</b>			
<b>Illinois Development Finance Authority "IDFA"</b>					
Education		-			
Healthcare	61,400,000	-			
Industrial Development	63,514,196	51,165,000			
Local Government	70,385,868	56,400,335			
Multifamily/Senior/Not-for Profit Housing	40,104,538	2,215,345			
501(c)(3) Not-for Profits	343,257,316	332,984,272			
Exempt Facilities Bonds	-	30,000,000			
<b>Total IDFA Principal Outstanding</b>	<b>578,661,918</b>	<b>472,764,952</b>			
<b>Illinois Rural Bond Bank "IRBB"</b>					
	-	-			
<b>Illinois Health Facilities Authority "IHFA"</b>					
	98,790,000	91,115,000			
<b>Illinois Educational Facilities Authority "IEFA"</b>					
	432,507,000	403,985,000			
<b>Illinois Farm Development Authority "IFDA" <sup>[b]</sup></b>					
	8,168,707	8,168,707			
<b>Total Illinois Finance Authority Bonded Indebtedness <sup>[c]</sup></b>	<b>\$ 24,677,607,726</b>	<b>\$ 24,730,495,375</b>	<b>\$ 28,150,000,000 <sup>[d]</sup></b>	<b>\$ 3,419,504,625</b>	
<b>State Component Unit Bonds <sup>[e]</sup></b>					
IEPA Clean Water Initiative <sup>[1]</sup>	\$ 1,479,430,000	\$ 1,411,175,000			
Northern Illinois University Foundation, Series 2013	770,422	464,098			
<b>Total State Component Unit Bonds</b>	<b>\$ 1,480,200,422</b>	<b>\$ 1,411,639,098</b>			
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/801-40(w)]:					
<b>Section I (a)</b>					
	Principal Outstanding		Program Limitations	Categorical Remaining Capacity	
	June 30, 2019	May 31, 2020			
<b>General Purpose Moral Obligation Bonds</b>					
<b>Total General Moral Obligation Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000,000</b>	<b>\$ 150,000,000</b>	
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/825-60]:					
<b>Section I (b)</b>					
	Principal Outstanding		Program Limitations	Categorical Remaining Capacity	
	June 30, 2019	May 31, 2020			
<b>Financially Distressed Cities Moral Obligation Bonds</b>					
<b>Total Financially Distressed Cities Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000,000</b>	<b>\$ 50,000,000</b>	
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/830-25]:					
<b>Section I (c)</b>					
	Principal Outstanding		Program Limitations	Categorical Remaining Capacity	State of Illinois Exposure
	June 30, 2019	May 31, 2020			
<b>Agri-Debt Guarantees [Restructuring Existing Debt]</b>					
<b>Total Agri-Debt Guarantees - Fund # 994</b>					
<b>Fund Balance \$10,677,573</b>	* <b>\$ 3,354,831</b>	<b>\$ 2,747,541</b>	<b>\$ 160,000,000</b>	<b>\$ 157,252,459</b>	<b>\$ 2,335,410</b>
<b>Agri-Loan Guarantee Program</b>					
Agri Industry Loan Guarantee Program	-	-			-
Farm Purchase Guarantee Program	825,743	-			-
Specialized Livestock Guarantee Program	1,068,066	1,012,708			860,802
Young Farmer Loan Guarantee Program	195,270	187,399			159,289
<b>Total Agri-Loan Guarantees - Fund # 205</b>					
<b>Fund Balance \$8,373,358</b>	* <b>2,089,079</b>	<b>1,200,107</b>	<b>225,000,000</b>	<b>223,799,893</b>	<b>1,020,091</b>
<b>Total AG State Guarantees</b>	<b>\$ 5,443,910</b>	<b>\$ 3,947,648</b>	<b>\$ 385,000,000</b>	<b>\$ 381,052,352</b>	<b>\$ 3,355,501</b>

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

Locally held funds advanced under the Illinois Finance Authority Act [20 ILCS 3501/801-40]:

Section II	Original Amount	Principal Outstanding	
		June 30, 2019	May 31, 2020
<b>Participation Loans</b>			
Business & Industry	\$ 23,020,158	\$ 679,501	\$ 620,615
Agriculture	6,079,859		
<b>Participation Loans Excluding Defaults &amp; Allowances</b>	<u>29,100,017</u>	<u>679,501</u>	<u>620,615</u>
		3,170	3,170
<b>Plus: Legacy IDFA Loans in Default</b>			
<b>Less: Allowance for Doubtful Accounts</b>		<u>5,165</u>	<u>19,270</u>
<b>Total Participation Loans</b>		<u>677,506</u>	<u>604,515</u>
<b>Local Government Direct Loans</b>	1,289,750	1,064,894	1,000,072
Rural Bond Bank Local Government Notes Receivable**		8,305,837	7,349,537 *
FmHA Loans	963,250	125,515	110,190
Deferred Action for Childhood Arrivals (DACA)	2,339,686	2,709,754	2,689,754
Fire Fighters Pension Fund	7,500,000	-	290,000
<b>Total Loans Outstanding</b>	<u>\$ 37,889,767</u>	<u>\$ 12,883,506</u>	<u>\$ 12,044,068</u>

\*\* IRBB Bonds were defeased and converted into a portfolio of notes receivable with the Authority.

Office of the State Fire Marshal revolving loan funds administered under the Illinois Finance Authority Act [20 ILCS 3501/825-80 and 825-85]:

Section III	Principal Outstanding		Cash and Investment Balance
	June 30, 2019	May 31, 2020	
<b>Fire Truck, Fire Station, and Ambulance Revolving Loans</b>			
Fire Truck Revolving Loan Program** Fund # 572	\$ 16,189,730	\$ 21,192,811	\$ 3,295,246 *
Ambulance Revolving Loan Program** Fund # 334	1,109,320.00	2,857,991	1,511,447 *
<b>Total Revolving Loans</b>	<u>\$ 17,299,050</u>	<u>\$ 24,050,802</u>	<u>\$ 4,806,693</u>

\*\* Due to deposits in transit, the Fund Balance at the Comptroller's Office may differ from the Authority General Ledger. In May 2014, Office of Fire Marshal transferred the Fund Balance to an Authority locally held fund.

Bonds issued under the Illinois Finance Authority Act [20 ILCS 3501/825-65(d)] but not subject to \$28.150 billion total bond limitation under Section 845-5(a):

Section IV	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	May 31, 2020		
<b>Clean Coal, Coal, Energy Efficiency, PACE, and Renewable Energy Project Financing</b>				
<b>Property Assessed Clean Energy (PACE) Bonds</b>	<u>\$ -</u>	<u>\$ 41,240,000</u>	\$ 3,000,000,000 [g]	\$ 3,000,000,000
			\$ 2,000,000,000	\$ 1,958,760,000

Bonds issued under the Illinois Power Agency Act [20 ILCS 3855/1-20(a)(3)]:

Section V	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	May 31, 2020		
<b>Illinois Power Agency Bonds</b>	<u>\$ -</u>	<u>\$ -</u>	\$ 4,000,000,000	\$ 4,000,000,000

Bonds issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]:

Section VI	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	May 31, 2020		
<b>Standard Environmental Facilities Bonds</b>				
Issued through IFA	\$ 54,675,000	\$ 103,435,000		
Issued through IDFA	47,505,000	30,005,000		
<b>Total Standard Environmental Facilities Bonds</b>	<u>102,180,000.00</u>	<u>133,440,000.00</u>	\$ 2,425,000,000	\$ 2,291,560,000
<b>Small Business Environmental Facilities Bonds</b>				
Issued through IFA	-	-		
<b>Total Small Business Environmental Facilities Bonds</b>	<u>-</u>	<u>-</u>	75,000,000	75,000,000
<b>Total Environmental Facilities Bonds</b>	<u>\$ 102,180,000</u>	<u>\$ 133,440,000</u>	<u>\$ 2,500,000,000</u>	<u>\$ 2,366,560,000</u>

Bonds issued under the Higher Education Loan Act [110 ILCS 945/10(b)]:

Section VI	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	May 31, 2020		
<b>Student Loan Program Bonds</b>				
Midwestern University Foundation	\$ 15,000,000	\$ 22,880,000		
<b>Total Student Loan Program Bonds</b>	<u>\$ 15,000,000</u>	<u>\$ 22,880,000</u>	\$ 200,000,000	\$ 177,120,000

\* Balances as of 6/30/2019 are estimated and subject to change.

[a] Preliminary, draft and unaudited; total subject to change; late month payment data may not be included at issuance of report.

[b] Payments in connection with outstanding Beginner Farmer Bonds are only updated annually; amounts inclusive of outstanding Agri-Det Guarantees and Agri-Loan Guarantees

[c] Inclusive of State Component Unit Bonds.

[d] Pursuant to P.A. 98-90 effective 07/15/2013, after giving effect to the financing or refinancing of an out-of-state project, the Authority shall have the ability to issue at least an additional \$1 billion of bonds under Section 845-5(a).

[e] Pursuant to GASB Interpretation No. 2, revenue bonds issued for the benefit of other State agencies and component units of the State of Illinois.

[f] Does not include unamortized issuance premium as reported in the Authority's audited financials.

[g] Pursuant to P.A. 100-919 effective 01/01/2019, up to \$2 billion may be issued to finance Energy Efficiency Projects, Renewable Energy Projects, and PACE Projects from the available \$3 billion bonding authorization.

## **TAB: PROCUREMENT REPORT**

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
June 9, 2020**

<b>CONTRACTS/AMENDMENTS EXECUTED</b>					
<b>Procurement Type</b>	<b>Vendor</b>	<b>Initial Term</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b>Illinois Procurement Code- Small Purchases</b>	Miller Hall & Triggs, LLC	12/16/19- 12/15/20	\$20,000	Small Purchase in process	Legal advice related to Ag Guaranty
	Zoom Video Communications, Inc	04/27/20- 04/26/21	\$2,000	Executed	Remote Conferences- Covid-19
	Rentacomputer.com	TBD	\$2,670.00	Small purchase in process	Server Rental
<b>Illinois Procurement Master Contracts</b>	CDW-G	03/13/20	\$2,800.00	Executed	12 Remote Licenses- Covid-19
	Logsdon Office Supply	03/13/20	\$1,622.60	Executed	5- Printers-Covid-19
	Logsdon Office Supply	03/16/20	\$837.20	Executed	2- Printers-Covid-19
	CDW-G	03/16/20	\$2,722.56	Executed	Citrix License- Covid-19
	CDS Office Technology	03/16/20	\$4,354.21	Executed	5- Laptop Computers- Covid-19
	Xerox	4/01/20- 03/31/23	\$24,003.00	Executed	4-Xerox Copiers
	Mesrow Insurance	04/30/20- 03/31/21	\$350,000.00	Executed	Insurance Brokerage-Benefits
	Mesrow Insurance	04/30/20- 03/31/21	\$321,373.80	Executed	Insurance Brokerage-Liability
	Com Microfilm	07/01/20- 06/30/21	\$7,230.00	Executed	Docuware Software & Maintenance
	Com Microfilm	07/01/20- 06/30/21	\$9,879.45	Executed	Document Imaging
<b>Illinois Procurement Code Renewals</b>	Mabsco	04/01/20- 03/31/21	\$30,400	Executed	Loan Management Services

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
June 9, 2020**

<b>Illinois Procurement Code Contracts</b>	Ascent Innovations	06/27/20-06/26/21	\$42,227.25	In process	Accounting Software Maintenance and Support
	Amalgamated Bank of Chicago	08/01/20-01/31/21	\$10,000	In process-6-month change order	Bank Custodian Services
	ClearArc	08/01/20-01/31/21	\$50,000	In process-6-month change order	Investment Manager Services

**EXPIRING CONTRACTS-OTHER**

Procurement Type	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<b>Credit Card</b>	Bank of America-Credit Card	06/30/20	\$300,000	Continue	Credit Card
	Bank of America-Depository	06/30/20	\$400,000	Continue	Bank of America Operating Account

**INTER-GOVERNMENTAL AGREEMENTS**

Procurement Type	Vendor	Term	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<b>Inter-Governmental Agreements</b>	Illinois Department of Commerce and Economic Opportunity (DCEO)	12/04/19-06/30/21	N/A	IGA-Executed	Springfield Office Space within DCEO

**TAB: MINUTES**

Date: June 9, 2020

Subject: ***Minutes of the March 10, 2020 Regular Meeting***

To: Eric Anderberg, Chairman  
James J. Fuentes  
Michael W. Goetz  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Veritext Legal Solutions (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of March in the year 2020, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY  
REGULAR MEETING  
MARCH 10, 2020  
9:30 AM

AGENDA:

- I. Call to Order & Roll Call  
*(page 2, line 1, through page 5, line 2)*
- II. Approval of Agenda  
*(page 5, lines 3 through 17)*
- III. Public Comment  
*(page 5, lines 18 through 20)*
- IV. Chairman’s Remarks  
*(page 5, line 21 through page 6, line 5)*
- V. Message from the Executive Director  
*(page 6, line 6 through page 7, line 13)*
- VI. Committee Reports  
*(page 7, line 14 through page 8, line 9)*
- VII. Presentation and Consideration of New Business Items  
*(page 8 line 10 through page 22 line 13)*





- VIII. Presentation and Consideration of Financial Reports  
*(page 22, line 14 through page 25, line 21)*
- IX. Monthly Procurement Report  
*(page 25, line 22 through page 26, line 10)*
- X. Correction and Approval of Minutes  
*(page 26, line 11 through page 27, line 2)*
- XI. Other Business  
*(page 27, line 3 through page 28, line 3)*
- XII. Closed Session  
*(page 28, lines 4 through 6)*
- XIII. Adjournment  
*(page 28, lines 7 through 20)*

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Elizabeth Weber  
General Counsel

- Enclosures:
- 1. Minutes of the March 10, 2020 Regular Meeting
  - 2. Voting Record of the March 10, 2020 Regular Meeting

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ILLINOIS FINANCE AUTHORITY  
REGULAR MEETING OF THE MEMBERS

REPORT OF PROCEEDINGS had at the  
Regular Meeting of the Illinois Finance Authority  
held Tuesday, March 10, 2020 at 9:30 a.m., pursuant  
to notice at 160 North LaSalle, Chicago, Illinois.

PRESENT:

- ERIC ANDERBERG, Chairman
  - JAMES FUENTES
  - MICHAEL GOETZ
  - WILLIAM HOBERT
  - ARLENE JURACEK
  - LYLE McCOY
  - TERRENCE O'BRIEN
  - BRADLEY ZELLER
  - LERRY KNOX (via audio conference)
  - ROXANNE NAVA (via audio conference)
  - ROGER POOLE (via audio conference)
  - BETH SMOOTS (via audio conference)
  - ROXANNE NAVA (via audio conference)
  - J. RANDALL WEXLER (via audio conference)
- ILLINOIS FINANCE AUTHORITY STAFF:
- CHRISTOPHER MEISTER, Executive Director
  - ELIZABETH WEBER, General Counsel and Legal  
Advisor to the Board
  - JACOB STUCKEY, Deputy Executive Director
  - RICH FRAMPTON, Executive Vice President
  - SARA PERUGINI, Vice President, Healthcare/CCRC
  - BRAD FLETCHER, Vice President
  - XIMENA GRANDA, Manager of Finance &  
Administration

1 CHAIR ANDERBERG: Good morning. I would  
2 like to call the meeting to order.

3 Will the Assistant Secretary please  
4 call the roll?

5 MR. FLETCHER: The time is 9:35 a.m.  
6 I'll call the roll of Members physically present  
7 first.

8 Mr. Goetz?

9 MEMBER GOETZ: Here.

10 MR. FLETCHER: Mr. Fuentes?

11 MEMBER FUENTES: Here.

12 MR. FLETCHER: Mr. Hobert?

13 MEMBER HOBERT: Here.

14 MR. FLETCHER: Ms. Juracek?

15 MEMBER JURACEK: Here.

16 MR. FLETCHER: Mr. McCoy?

17 MEMBER MCCOY: Here.

18 MR. FLETCHER: Mr. O'Brien?

19 MEMBER O'BRIEN: Yes.

20 MR. FLETCHER: Mr. Zeller?

21 MEMBER ZELLER: Here.

22 MR. FLETCHER: Mr. Chairman?

23 CHAIRMAN ANDERBERG: Here.

24 MR. FLETCHER: Mr. Chairman, a quorum of

1 Members physically present in the room has been  
2 constituted.

3 At this time, I would like to ask if  
4 any Members would like to attend via audio  
5 conference?

6 I believe we have Member Knox?

7 MEMBER KNOX: Here.

8 MR. FLETCHER: And you are requesting to  
9 attend via audio conference due to employment  
10 purposes?

11 MEMBER KNOX: That is correct.

12 MR. FLETCHER: Thank you.

13 Next I believe we have Member Nava.

14 MEMBER NAVA: Yes, I'm here as well. I'm  
15 requesting to attend because of family or other  
16 emergencies due to my recent travel to Italy two and  
17 a half weeks ago.

18 MR. FLETCHER: Thank you for calling in.

19 I believe next we have Roger Poole.  
20 I believe we have Roger Poole.

21 MEMBER POOLE: Yes, Roger Poole. I'm  
22 requesting to attend via audio conference due to  
23 employment purposes.

24 MR. FLETCHER: Thank you.

1 Ms. Smoots.

2 MEMBER SMOOTS: This is Beth Smoots. I'm  
3 requesting to attend via conference due to personal  
4 illness or disability.

5 MR. FLETCHER: And I believe we have  
6 Mr. Wexler as well.

7 MR. WEXLER: Yes, here. I am requesting  
8 to attend by phone due to employment purposes.

9 MR. FLETCHER: Thank you.

10 Is there a motion to -- sorry.

11 CHAIR ANDERBERG: Thank you. Is there a  
12 motion to approve the requests pursuant to the  
13 bylaws and policies of the Authority?

14 MEMBER FUENTES: So moved.

15 MEMBER HOBERT: Second.

16 CHAIR ANDERBERG: We have a motion and a  
17 second.

18 All those in favor.

19 (A chorus of ayes.)

20 Opposed?

21 (No response)

22 The ayes have it.

23 MR. FLETCHER: Mr. Chairman, Members  
24 Knox, Nava, Poole, Smoots, and Wexler have been

1 added to the initial quorum roll call.

2 CHAIR ANDERBERG: Thank you.

3 Does anyone wish to make any  
4 additions, edits, or corrections to today's agenda?

5 (No response.)

6 Hearing none, I would like to request  
7 a motion to approve the agenda. Is there such a  
8 motion?

9 MEMBER GOETZ: So moved.

10 MEMBER JURACEK: Second.

11 CHAIR ANDERBERG: Motion by Mr. Goetz,  
12 second by Ms. Juracek.

13 All those in favor?

14 (A chorus of ayes.)

15 Opposed?

16 (No response.)

17 The ayes have it.

18 Is there any public comment for the  
19 Members today?

20 (No response.)

21 Okay. We will try to make this --  
22 move this meeting on. I would like to thank the  
23 staff today for accommodating -- Number 1, I would  
24 like to thank the Board Members that showed up today

1 and those on the phone and thank you, Ms. Nava, for  
2 attending by phone today. But I would like to just  
3 thank the staff for accommodating due to the current  
4 health concerns we have.

5 Mr. Meister.

6 MR. MEISTER: Hey, thank you,  
7 Mr. Chairman. Again, I echo your thanks to all of  
8 the Members.

9 Just to let everybody know, we've  
10 been in touch with outside counsel with some  
11 proposed language to the Open Meetings Act that  
12 would be applicable to the Authority and other  
13 entities under the Open Meetings Act. So we're in  
14 the process of doing that, if the current  
15 health-related situation continues.

16 Among the staff here at the  
17 Authority, we're working on appropriate social  
18 distance that has been recommended and organizing  
19 our operations. Along those lines, both within the  
20 office and then working remotely where that is  
21 possible.

22 On the matter of the SLF or the  
23 Supportive Living Facilities for St. Anthony and  
24 Deer Path, I do want to inform the Members that

1 Kristin Faust, the Executive Director of the Housing  
2 Development Authority, and I have been in contact  
3 over the past couple of weeks. We shared a draft of  
4 the project summary with her so we have executive  
5 director to executive director contact with the  
6 Housing Development Authority on housing-related  
7 issues.

8 And the final note is that with  
9 respect to the Better Housing Foundation reporting  
10 in various media, Deputy Executive Director Jacob  
11 Stuckey will be highlighting those recent reports  
12 when he speaks to the Members. Thanks.

13 CHAIR ANDERBERG: Thank you, Chris.

14 Committee Reports. Member McCoy.

15 MEMBER McCOY: Thank you. Thank you,  
16 Mr. Chairman.

17 The Conduit Financing Committee met  
18 earlier this morning and voted unanimously to  
19 recommend for approval the following New Business  
20 items on today's agenda:

21 Christian Homes, Inc.; St. Anthony  
22 SLF and Deer Path SLF; University of St. Francis;  
23 Beginning Farmer bonds for Zachary Knobloch and  
24 Brandon Fredrickson; and a resolution for Roosevelt



1 University.

2 CHAIR ANDERBERG: Thank you, Lyle.

3 Mr. Fuentes.

4 MEMBER FUENTES: The Direct and  
5 Alternative Finance Committee met earlier this  
6 morning and voted unanimously to recommend for  
7 approval the following New Business item on today's  
8 agenda: Integrity Financial Services.

9 CHAIR ANDERBERG: Okay. Thank you.

10 I would like ask for the general  
11 consent of the members to consider New Business  
12 Items 1 through 6 collectively, and to have the  
13 subsequent recorded vote applied to each respective,  
14 individual item unless there are any specific New  
15 Business items that a Member would like to consider  
16 separately.

17 MEMBER GOETZ: Chairman, I would like to  
18 just clarify something regarding Item No. 2, the  
19 St. Anthony SLF and Deer Path SLF: In April of  
20 2012, I abstained from a vote on this project  
21 because I was at that time involved in the  
22 day-to-day operations of Laborers' Home Development  
23 Corporation, which shared a material vendor, Gardant  
24 Management Solutions, with both of these SLFs. I am

1 no longer responsible for the day-to-day operations  
2 of Laborers' Home, so I will not be abstaining from  
3 voting on these projects today.

4 CHAIR ANDERBERG: Thank you.

5 MR. FLETCHER: Okay. At this time, I  
6 would like to note that for each Conduit New  
7 Business item presented on today's agenda, including  
8 Items 1, 2, 3, 4A and 4B, the Members are  
9 considering approval only of the Resolution and the  
10 not-to-exceed amount contained therein.

11 First, under the Conduit Financing  
12 Projects, Item 1 is Christian Horizons Obligated  
13 Group.

14 Item 1 is a Conduit 501(c)(3) Revenue  
15 Bond multi-state request. Staff requests approval  
16 of a one-time Final Bond Resolution for Christian  
17 Horizons Obligated Group in an amount not-to-exceed  
18 \$75 million.

19 Pursuant to the Final Bond  
20 Resolution, the Bonds may be issued in one or more  
21 series of tax-exempt and taxable, fixed rate bonds,  
22 sold in a public offering by B.C. Ziegler and  
23 Company. Christian Horizons Obligated Group has a  
24 current long-term debt rating of BBB- from Fitch

1 with a stable outlook, which the Obligated Group  
2 expects Fitch to affirm and also assign to the new  
3 Bonds in mid-March.

4 Bond proceeds will be used by  
5 Christian Homes, Inc., who is the borrower, or one  
6 or more corporate affiliates thereof, for both new  
7 money and refinancing purposes.

8 Does any Member have any questions or  
9 comments?

10 (No response.)

11 Item No. 2, St. Anthony SLF, LLC, and  
12 Deer Path SLF, LLC.

13 Item 2 is a request for one-time  
14 consideration of a Final Bond Resolution in a  
15 not-to-exceed amount of \$45 million on behalf of  
16 St. Anthony SLF, LLC and Deer Path SLF, LLC.

17 The St. Anthony project in Lansing  
18 and the Deer Path project in Huntley were each  
19 developed under the Illinois Department of  
20 Healthcare and Family Services' Supportive Living  
21 Facility Program, which was developed to provide an  
22 affordable assisted living option to  
23 Medicaid-eligible seniors with disabilities and  
24 non-seniors aged 22-64.

1           The Department's Daily Medicaid  
2 Reimbursements to SLF facilities are indexed by  
3 statute at an amount not less than 54.3 percent of  
4 the weighted average daily nursing home  
5 reimbursement by designated Illinois Department of  
6 Healthcare Family Services region.

7           Accordingly, SLF facilities reduce  
8 costs to the state compared to housing these same  
9 residents in a nursing home, while enabling these  
10 residents to also live more independently.

11           The St. Anthony SLF is a 125-unit SLF  
12 targeted to seniors in Lansing which is in Southern  
13 Cook County, while the Deer Path SLF is a 128-unit  
14 SLF targeted to non-seniors aged 22-64 with physical  
15 disabilities in Huntley, which is located in  
16 Northern Kane County.

17           The co-borrowers have applied for  
18 two-project financing to be rated by S&P on a  
19 portfolio basis.

20           The Underwriter is anticipating  
21 investment grade ratings in the Single A-/High BBB  
22 range for the Senior Tax-Exempt 2020A and Senior  
23 Taxable 2020B Bonds based on pro forma results.

24           Based on the Sources and Uses table

1 reported on Page 2, the net amount of non-rated debt  
2 attributable to these Projects will be reduced from  
3 \$37.4 million currently to just \$2.785 million in  
4 the Subordinate Series 2020C Bonds upon closing.

5 In addition to the \$37.4 million of  
6 Refunding Bonds, there will also be approximately  
7 \$8.68 million of new, investment grade rated Senior  
8 Series 2020B Taxable Bonds. As noted in the  
9 Rationale section on Page 5 of the report,  
10 approximately \$5.22 million of the investment  
11 grade-rated 2020B Taxable Bonds will finance  
12 accelerated payment of a performance-based Deferred  
13 Developer Fee associated with both the original  
14 Series 2012 Bonds. These performance-based Deferred  
15 Developer Fees have been accrued not paid as of yet.

16 The new Series 2020 Bonds will be  
17 structured to provide approximately level debt  
18 service payments and to reduce annual debt service  
19 payments compared to the existing Series 2012 Bonds,  
20 which each bear interest at 6.50 percent fixed.

21 Additionally, the final maturity  
22 dates will be extended from 2032 on the 2012 Bonds  
23 to 2050 on the Senior Tax-Exempt Series 2020A Bonds  
24 and to 2036 on the Senior Taxable Series 2020B

1 Bonds.

2 Finally, the Projects have featured  
3 strong occupancy rates since opening in August 2013  
4 and as of January 2020 featured combined occupancy  
5 rates of approximately 96 percent and have posted  
6 strong debt service coverage.

7 As noted in the forecasts in the  
8 confidential section of the report, a 24 percent  
9 increase in the SLF Medicaid Daily Reimbursement  
10 Rate that went into effect on January 1, 2020 will  
11 provide even stronger debt service coverage going  
12 forward.

13 We had invited some guests to attend,  
14 but I do not believe they have called in at this  
15 time.

16 Does any member have any questions or  
17 comments?

18 (No response.)

19 Moving on to Item 3, University of  
20 St. Francis.

21 Item 3 is a 503(c)(3) Revenue Bond  
22 request. Staff requests approval of a one-time  
23 Final Bond Resolution for University of St. Francis  
24 in an amount not-to-exceed \$37 million.

1           The bonds proceeds will be used to  
2 refund all of the outstanding Series 2013, Series  
3 2016A, and Series 2016B Bonds previously issued by  
4 the Authority on behalf of the borrower and to pay  
5 costs of issuance.

6           Wintrust Bank, National Association,  
7 or one of its affiliates will be the purchasing bank  
8 for this conduit transaction

9           Does any Member have any questions or  
10 comments?

11                           (No response.)

12           Next is a Beginning Farmer Bond.  
13 Item 4A is a one-time Final Bond Resolution  
14 requesting approval of a Beginning Farmer Bond for  
15 Zachary Paul Knobloch, who is purchasing 40 acres of  
16 farmland located in Stark County in the  
17 not-to-exceed amount of \$200,000. The State Bank of  
18 Toulon is the purchasing bank for this conduit  
19 transaction.

20           Does any Member have any questions or  
21 comments?

22                           (No response.)

23           Item 4B is a one-time Final Bond  
24 Resolution requesting approval of a Beginning Farmer

1 Bond for Brandon Fredrickson, who is purchasing 35  
2 acres of farmland located in Warren County, in the  
3 not-to-exceed amount of \$303,000.

4 First Mid Bank and Trust is the  
5 purchasing bank for this conduit transaction.

6 Does any Member have any questions or  
7 comments?

8 (No response.)

9 Moving on to Direct and Alternative  
10 Financing.

11 Item 5 is a participation loan  
12 request. Staff requests approval of a one-time  
13 final resolution for Integrity Financial Services,  
14 Inc., in a maximum loan participation amount of  
15 \$50,000. Loan proceeds will be used by the borrower  
16 to finance a portion of the cost of leasehold  
17 improvements to a three-story, 28,800 square foot  
18 vacant warehouse located in Freeport, Illinois.

19 The Authority will purchase a 50  
20 percent participation interest in a \$100,000  
21 subordinate loan being funded by Northern Illinois  
22 Community Development Corporation and is equal to  
23 approximately 20 percent of the total project cost  
24 of \$250,000. The principal owner is a veteran of



1 the United States Air Force.

2 Does any Member have any questions or  
3 comments?

4 (No response.)

5 Moving to Resolutions. First Conduit  
6 Financing.

7 Item 6 is an Amendatory Resolution  
8 that amends the Final Bond Resolution approved at  
9 the January Board Meeting and referenced in the  
10 accompanying memorandum to reflect that Roosevelt  
11 University has now solely engaged Stern Brothers &  
12 Company to serve as the Underwriter on the subject  
13 IFA Series 2020 Bonds, therefore replacing Wells  
14 Fargo Securities LLC.

15 The Amendatory Resolution will  
16 authorize the execution of a form of purchase  
17 contract among Roosevelt University, the IFA, and  
18 Stern Brothers & Co as the Underwriter.

19 Does any Member have any questions or  
20 comments?

21 (No response.)

22 CHAIR ANDERBERG: Thank you, Brad.

23 All right. I would like to request a  
24 motion to pass and adopt the following New Business

1 Items: 1, 2, 3, 4A, 4B, 5, and 6.

2 Is there such a motion?

3 MEMBER McCOY: So moved.

4 MEMBER GOETZ: Second.

5 CHAIR ANDERBERG: Motion by Mr. McCoy,  
6 second by Mr. Goetz.

7 Will the Assistant Secretary please  
8 call the roll?

9 MR. FLETCHER: On the motion and second,  
10 I will call the roll.

11 Mr. Goetz?

12 MEMBER GOETZ: Yes.

13 MR. FLETCHER: Mr. Fuentes?

14 MEMBER FUENTES: Yes.

15 MR. FLETCHER: Mr. Hobert?

16 MEMBER HOBERT: Yes.

17 MR. FLETCHER: Ms. Juracek?

18 MEMBER JURACEK: Yes.

19 MR. FLETCHER: Mr. Knox via audio  
20 conference?

21 (No response.)

22 We'll come back.

23 Mr. McCoy?

24 MEMBER MCCOY: Yes.

1 MR. FLETCHER: Ms. Nava via audio  
2 conference?

3 MEMBER NAVA: Yes.

4 MR. FLETCHER: Mr. O'Brien?

5 MEMBER O'BRIEN: Yes.

6 MR. FLETCHER: Mr. Poole via audio  
7 conference?

8 MEMBER POOLE: Yes.

9 MR. FLETCHER: Ms. Smoots via audio  
10 conference?

11 MEMBER SMOOTS: Yes.

12 MR. FLETCHER: Mr. Wexler via audio  
13 conference?

14 MEMBER WEXLER: Yes.

15 MR. FLETCHER: Mr. Zeller?

16 MEMBER ZELLER: Yes.

17 MR. FLETCHER: Mr. Chairman?

18 CHAIRMAN ANDERBERG: Yes.

19 MR. FLETCHER: Lerry, did we lose you?

20 (No response.)

21 Mr. Chairman, the motion carries.

22 CHAIR ANDERBERG: Thank you.

23 MR. FLETCHER: This is Brad Fletcher.

24 Did someone just join the line?

1 MEMBER KNOX: Hi, this is Lerry Knox.  
2 Unfortunately, I dropped off and dialed back in.

3 MR. FLETCHER: Was that a "yes" vote that  
4 I think I heard on the project?

5 MEMBER KNOX: Yes.

6 MR. FLETCHER: Thank you, sir.

7 Mr. Chairman, the motion carries.

8 CHAIR ANDERBERG: Thank you.

9 MR. STUCKEY: On Tab 7, the Members will  
10 find a memo outlining the various news articles that  
11 have happened since the last Board meeting. You  
12 will find the articles behind them. You will find  
13 two articles from Crain's Chicago Business, an  
14 article from Bloomberg Briefs, an article from the  
15 Chicago Tribune, an article from the Bond Buyer, and  
16 an article from the Chicago Sun-Times.

17 I'm sorry if I didn't say this  
18 before, all these are in reference to the Better  
19 Housing Foundation.

20 Does any Member have any questions?

21 (No response.)

22 Okay. On Tab 8, we wanted to keep  
23 the Members apprised of the recent meetings of the  
24 Firefighters' Pension Investment Fund and the Police

1 Officers' Pension Investment Fund. Both Funds have  
2 met multiple times. I was fortunate enough to  
3 attend the Police Officers' Pension Investment Fund  
4 meeting. I want to say that I was impressed with  
5 their professionalism and the seriousness with which  
6 they're trying to fulfill their statutory role of  
7 this important mission and the Authority continues  
8 to work with them to provide not only the funding  
9 that was outlined in the statute but also any other  
10 support that we can provide the Funds.

11 Does anybody have any questions?

12 CHAIR ANDERBERG: I just have one comment  
13 on the media. The media just does not seem to  
14 understand the true role of the IFA. There's been  
15 some serious misrepresentation in the media in our  
16 involvement in the Better Housing Foundation. So...  
17 I wanted to put that on the record.

18 MEMBER GOETZ: I thought the one article  
19 treated us pretty fairly. I think it was the  
20 Sun-Times.

21 CHAIR ANDERBERG: There were a couple of  
22 articles that were not.

23 MR. FRAMPTON: The Bond Buyer.

24 MEMBER GOETZ: The Sun-Times, they kind

1 of just glossed over us, you know, saying these were  
2 conduit bonds.

3 CHAIR ANDERBERG: Thank you.

4 MR. STUCKEY: Thank you.

5 MS. WEBER: Item 9 is Ethics  
6 Considerations. Shortly, you will be receiving in  
7 the mail two economic disclosure forms that will  
8 need to be completed and filed with State entities.  
9 Samples of both those forms are included in your  
10 Board packet under Tab 9.

11 First, there's a statement of  
12 economic interest that you will be receiving in the  
13 mail from the Secretary of State around March 16;  
14 and second, you will be receiving a supplemental  
15 statement of economic interest from the State of  
16 Illinois Executive Ethics Commission around  
17 March 24.

18 Please do not complete the forms in  
19 the Board packet, which have been included for  
20 informational purposes only.

21 The original forms you receive in the  
22 mail should be completed and mailed to Mari Money  
23 for my review as ethics officer as required by law.

24 Please send your completed forms no

1 later than the next Board meeting in April for  
2 review or bring them with you to the Board meeting.  
3 We can file the forms for you at the appropriate  
4 State entity if no changes are needed.

5 Note that both forms will be a matter  
6 of public record. I'm always available to answer  
7 any questions about the forms and the process so  
8 please don't hesitate to contact me if you have any  
9 questions.

10 Does any Member have any questions?

11 (No response.)

12 Thank you.

13 CHAIR ANDERBERG: Thank you, Elizabeth.

14 Six.

15 MS. GRANDA: Good morning, everyone. The  
16 financial statements can be found in your blue  
17 folders. You will find the financial analysis memo  
18 and the financial statements.

19 The financial information for  
20 February 29, 2020 is as follows:

21 It was a slow month in February. The  
22 Authority recorded operating revenue of \$190,000,  
23 which is lower than the budgeted amount of \$317,000.  
24 This brings our total annual operating revenue to

1 \$2.4 million, which is \$185,000 lower than budget.  
2 This is due to lower than expected interest on loans  
3 and closing fees.

4 Our non-operating revenue for  
5 February was \$172,000, which was higher than our  
6 monthly budgeted amount of \$83,000. This brings our  
7 total annual non-operating revenue to \$805,000,  
8 which is \$144,000 higher than budget. This is due  
9 to an increase in the appreciation of our  
10 securities.

11 Per our investment manager, yields  
12 have continued to decline, which means prices of the  
13 securities are rising. The C-virus fears are  
14 driving yields lower and prices are higher. The  
15 yields are at historical lows across our entire  
16 yield curve, meaning bond prices are very high.

17 In February, the Authority recorded  
18 operating expenses of \$357,000, which was lower than  
19 the monthly budgeted amount of \$400,000. The  
20 Authority posted this monthly result despite an  
21 increase in the Chicago office rent expense and  
22 recording a related adjustment in the occupancy  
23 costs that have occurred since October of 2019.

24 Our total annual expenses of



1 \$2.8 million were \$417,000 or 13 percent lower than  
2 budget, which was mostly driven by below budget  
3 spending on employee-related expenses and  
4 professional services.

5 Our total net income for February was  
6 \$5,000, and this was due to lower than expected  
7 closing fees.

8 Our total annual net income is  
9 \$377,000. Again, the major driver of the annual  
10 positive bottom line continues to be the overall  
11 spending at 13 percent below budget and higher than  
12 expected interest and income and investment income  
13 due to the increasing prices under our securities.

14 The Authority's general operating  
15 fund continues to maintain a strong balance sheet  
16 with a total of net position of \$60 million and our  
17 total assets as \$60.5 million.

18 Moving on to Treasury. In February,  
19 the Authority issued two bonds in an aggregate  
20 amount of \$60.8 million. This brings our total  
21 bonds outstanding as of February 29, 2020 to  
22 \$24.6 billion.

23 And lastly, moving on to Audit, the  
24 two-year compliance examination for Fiscal Year 2018

1 and Fiscal Year 2019 is still on track. The  
2 Authority anticipates the compliance examination to  
3 be released late March or early April.

4 The internal audits are still on  
5 track. At this time, the staff has nothing to  
6 report.

7 Are there any questions?

8 (No response.)

9 Thank you.

10 CHAIR ANDERBERG: I would like to request  
11 a motion to accept the financial reports.

12 Is there such a motion?

13 MEMBER GOETZ: So moved.

14 MEMBER JURACEK: Second.

15 CHAIR ANDERBERG: Moved by Mr. Goetz,  
16 second by Ms. Juracek.

17 All those in favor?

18 (A chorus of ayes.)

19 Opposed?

20 (No response.)

21 The ayes have it.

22 Monthly Procurement.

23 MR. STUCKEY: Mr. Holloway was unable to  
24 make the meeting today as he had some scheduled time

1 off.

2 Under the Procurement Tab, you will  
3 find the Procurement Report of activity since prior  
4 Board report. I would like to draw the attention to  
5 the Members of the second page. We have a couple of  
6 contracts that are expiring mid-2020. The Authority  
7 is working on those procurements and we'll up have  
8 updates probably by the next Board meeting.

9 CHAIR ANDERBERG: Thank you.

10 MR. STUCKEY: Thank you.

11 CHAIR ANDERBERG: Does anyone wish to  
12 make any additions, edits, or corrections to the  
13 minutes from February 11?

14 (No response.)

15 Hearing none, I would like to request  
16 a motion to approve the minutes.

17 Is there such a motion?

18 MEMBER GOETZ: So moved.

19 MEMBER FUENTES: Second.

20 CHAIR ANDERBERG: Motion by Mr. Goetz,  
21 second by Mr. Fuentes.

22 All those in favor?

23 (A chorus of ayes.)

24 Opposed?

1 (No response.)

2 The ayes have it.

3 Is there any other business to come  
4 before the Members?

5 (No response.)

6 Before we move to adjourn later on  
7 here, I would like to thank everyone for showing up  
8 today and everyone by conference, and I have been  
9 informed by the Executive Director that going  
10 forward, the Authority will monitor the current  
11 health situation and they are working with the  
12 legislature to change the laws to, in case need be,  
13 we can do meetings by audio conference while this  
14 situation persists.

15 So again, thank you, everyone today.

16 I'd like to request a motion to  
17 excuse the absences of Members unable to participate  
18 today.

19 Is there such a motion?

20 MEMBER ZELLER: So moved.

21 MEMBER GOETZ: Second.

22 CHAIR ANDERBERG: There's a motion and  
23 second. All those in favor?

24 (A chorus of ayes.)

1                   Opposed?

2                                 (No response.)

3                   The ayes have it.

4                   Is there any matter for discussion in  
5 closed session?

6                                 (No response.)

7                   Hearing none, the next regularly  
8 scheduled meeting will be April 14.

9                   I would like to request a motion to  
10 adjourn. Is there such a motion?

11                   MEMBER GOETZ: So moved.

12                   MEMBER HOBERT: Second.

13                   CHAIR ANDERBERG: Motion and second, all  
14 those in favor?

15                                 (A chorus of ayes.)

16                   Opposed?

17                                 (No response.)

18                   The ayes have it. Thank you,  
19 everyone.

20                   MR. FLETCHER: The time is 9:59 a.m.

21                                 (WHEREUPON, which were all the  
22 proceedings had in the above  
23 entitled cause.)

24                                 (Off the record at 9:59 a.m.)

REPORTER CERTIFICATION

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I, JO ANN LOSOYA, a Certified Shorthand Reporter of the State of Illinois, do hereby certify that I reported in shorthand the proceedings had at the meeting aforesaid, and that the foregoing is a true, complete and correct transcript of the proceedings of said meeting as appears from my stenographic notes so taken and transcribed under my personal direction.

IN WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this June 3, 2020.



JO ANN LOSOYA

C.S.R. No. 084-002437

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<p><b>slfs</b> 8:24  <b>slow</b> 22:21  <b>smoots</b> 1:14 4:1,2              4:2,24 18:9,11  <b>social</b> 6:17  <b>sold</b> 9:22  <b>solely</b> 16:11  <b>solutions</b> 8:24  <b>sorry</b> 4:10 19:17  <b>sources</b> 11:24  <b>southern</b> 11:12  <b>speaks</b> 7:12  <b>specific</b> 8:14  <b>spending</b> 24:3,11  <b>square</b> 15:17  <b>st</b> 6:23 7:21,22              8:19 10:11,16,17              11:11 13:20,23  <b>stable</b> 10:1  <b>staff</b> 1:16 5:23 6:3              6:16 9:15 13:22              15:12 25:5  <b>stark</b> 14:16  <b>state</b> 9:15 11:8              14:17 21:8,13,15              22:4 29:5  <b>statement</b> 21:11              21:15  <b>statements</b> 22:16              22:18  <b>states</b> 16:1  <b>statute</b> 11:3 20:9  <b>statutory</b> 20:6  <b>stenographic</b>              29:10  <b>stern</b> 16:11,18  <b>story</b> 15:17  <b>strong</b> 13:3,6              24:15  <b>stronger</b> 13:11</p>	<p><b>structured</b> 12:17  <b>stuckey</b> 1:18 7:11              19:9 21:4 25:23              26:10  <b>subject</b> 16:12  <b>subordinate</b> 12:4              15:21  <b>subsequent</b> 8:13  <b>summary</b> 7:4  <b>sun</b> 19:16 20:20,24  <b>supplemental</b>              21:14  <b>support</b> 20:10  <b>supportive</b> 6:23              10:20</p> <p style="text-align: center;"><b>t</b></p> <p><b>tab</b> 19:9,22 21:10              26:2  <b>table</b> 11:24  <b>taken</b> 29:10  <b>targeted</b> 11:12,14  <b>tax</b> 9:21 11:22              12:23  <b>taxable</b> 9:21 11:23              12:8,11,24  <b>term</b> 9:24  <b>terrence</b> 1:11  <b>thank</b> 3:12,18,24              4:9,11 5:2,22,24              6:1,3,6 7:13,15,15              8:2,9 9:4 16:22              18:22 19:6,8 21:3              21:4 22:12,13              25:9 26:9,10 27:7              27:15 28:18  <b>thanks</b> 6:7 7:12  <b>thereof</b> 10:6  <b>think</b> 19:4 20:19  <b>thought</b> 20:18  <b>three</b> 15:17</p>	<p><b>time</b> 2:5 3:3 8:21              9:5,16 10:13              13:15,22 14:13,23              15:12 25:5,24              28:20  <b>times</b> 19:16 20:2              20:20,24  <b>today</b> 5:19,23,24              6:2 9:3 25:24 27:8              27:15,18  <b>today's</b> 5:4 7:20              8:7 9:7  <b>total</b> 15:23 22:24              23:7,24 24:5,8,16              24:17,20  <b>touch</b> 6:10  <b>toulon</b> 14:18  <b>track</b> 25:1,5  <b>transaction</b> 14:8              14:19 15:5  <b>transcribed</b> 29:10  <b>transcript</b> 29:8  <b>travel</b> 3:16  <b>treasury</b> 24:18  <b>treated</b> 20:19  <b>tribune</b> 19:15  <b>true</b> 20:14 29:8  <b>trust</b> 15:4  <b>try</b> 5:21  <b>trying</b> 20:6  <b>tuesday</b> 1:5  <b>two</b> 3:16 11:18              19:13 21:7 24:19              24:24</p> <p style="text-align: center;"><b>u</b></p> <p><b>unable</b> 25:23              27:17  <b>unanimously</b> 7:18              8:6  <b>understand</b> 20:14</p>	<p><b>underwriter</b> 11:20              16:12,18  <b>unfortunately</b>              19:2  <b>unit</b> 11:11,13  <b>united</b> 16:1  <b>university</b> 7:22              8:1 13:19,23              16:11,17  <b>updates</b> 26:8  <b>uses</b> 11:24</p> <p style="text-align: center;"><b>v</b></p> <p><b>vacant</b> 15:18  <b>various</b> 7:10 19:10  <b>vendor</b> 8:23  <b>veteran</b> 15:24  <b>vice</b> 1:19,19,20  <b>virus</b> 23:13  <b>vote</b> 8:13,20 19:3  <b>voted</b> 7:18 8:6  <b>voting</b> 9:3</p> <p style="text-align: center;"><b>w</b></p> <p><b>want</b> 6:24 20:4  <b>wanted</b> 19:22              20:17  <b>warehouse</b> 15:18  <b>warren</b> 15:2  <b>we've</b> 6:9  <b>weber</b> 1:17 21:5  <b>weeks</b> 3:17 7:3  <b>weighted</b> 11:4  <b>wells</b> 16:13  <b>went</b> 13:10  <b>wexler</b> 1:15 4:6,7              4:24 18:12,14  <b>whereof</b> 29:12  <b>william</b> 1:10  <b>wintrust</b> 14:6  <b>wish</b> 5:3 26:11</p>
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<b>witness</b> 29:12 <b>work</b> 20:8 <b>working</b> 6:17,20 26:7 27:11
<b>x</b>
<b>ximena</b> 1:20
<b>y</b>
<b>year</b> 24:24,24 25:1 <b>yield</b> 23:16 <b>yields</b> 23:11,14,15
<b>z</b>
<b>zachary</b> 7:23 14:15 <b>zeller</b> 1:12 2:20,21 18:15,16 27:20 <b>ziegler</b> 9:22

ILLINOIS FINANCE AUTHORITY  
 VOICE VOTE  
 REQUESTS TO ATTEND VIA AUDIO CONFERENCE  
 APPROVED

March 10, 2020

	8 YEAS	0 NAYS	0 PRESENT
Y Fuentes		Y McCoy	NV Smoots (via audio conference)
Y Goetz		NV Nava (via audio conference)	NV Wexler (via audio conference)
Y Hobert		E Obernagel	E Wright
Y Juracek		Y O'Brien	Y Zeller
NV Knox (via audio conference)		NV Poole (via audio conference)	Y Mr. Chairman

E – Denotes Excused Absence



ILLINOIS FINANCE AUTHORITY  
 VOICE VOTE  
 MARCH 10, 2020 AGENDA OF THE REGULAR MEETING OF THE MEMBERS  
 APPROVED

March 10, 2020

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0310-CF01  
 PRIVATE ACTIVITY BONDS - REVENUE BONDS  
 CHRISTIAN HORIZONS OBLIGATED GROUP  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0310-CF02  
 PRIVATE ACTIVITY BONDS - REVENUE BONDS  
 ST. ANTHONY – DEER PATH PROJECTS  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0310-CF03  
 PRIVATE ACTIVITY BONDS - REVENUE BONDS  
 UNIVERSITY OF ST. FRANCIS  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION NO. 2020-0310-CF4A  
PRIVATE ACTIVITY BONDS - REVENUE BONDS  
BEGINNING FARMER BOND – ZACHARY PAUL KNOBLOCH  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence  
\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0310-CF4B  
 PRIVATE ACTIVITY BONDS - REVENUE BONDS  
 BEGINNING FARMER BOND – BRANDON FREDRICKSON  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0310-DA05  
 PARTICIPATION LOAN  
 INTEGRITY FINANCIAL SERVICES, INC,  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0310-CF06  
 RESOLUTION AMENDING RESOLUTION 2020-0114-CF02  
 AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
 \$15,000,000 IN AGGREGATE PRINCIPAL AMOUNT  
 OF REVENUE BONDS CONSISTING OF THE  
 ILLINOIS FINANCE AUTHORITY REVENUE BONDS  
 (ROOSEVELT UNIVERSITY) SERIES 2020, THE  
 PROCEEDS OF WHICH ARE TO BE LOANED TO  
 ROOSEVELT UNIVERSITY; AND AUTHORIZING  
 AND APPROVING RELATED MATTERS.  
 ADOPTED\*

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

\* Consent Agenda



ILLINOIS FINANCE AUTHORITY  
 VOICE VOTE  
 ACCEPT THE FINANCIAL REPORTS  
 ACCEPTED

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 VOICE VOTE  
 APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD FROM  
 FEBRUARY 11, 2020  
 APPROVED

March 10, 2020

13 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	Y	Smoots (via audio conference)
Y	Goetz	Y	Nava (via audio conference)	Y	Wexler (via audio conference)
Y	Hobert	E	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	Y	Zeller
Y	Knox (via audio conference)	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

Date: June 9, 2020

Subject: ***Minutes of the May 12, 2020 Regular Meeting***

To: Eric Anderberg, Chairman  
James J. Fuentes  
Michael W. Goetz  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Veritext Legal Solutions (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of May in the year 2020, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”), the Members having met via audio conference in accordance with Section 6 of Executive Order 2020-33, suspending the requirement of Section 801-25 of the Act for a quorum of Members of the Authority to be physically present through May 29, 2020.

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY  
REGULAR MEETING  
MAY 12, 2020  
9:30 AM

AGENDA:

- I. Call to Order & Roll Call  
*(page 3, line 1, through page 6, line 1)*
- II. Approval of Agenda  
*(page 6, lines 2 through 19)*
- III. Public Comment  
*(page 6, line 20, through page 7, line 17)*
- IV. Chairman’s Remarks  
*(page 7, line 18, through page 8, line 7)*
- V. Message from the Executive Director  
*(page 8, line 8 through page 9, line 11)*
- VI. Presentation and Consideration of New Business Items  
*(page 9 line 12 through page 27, line 20)*



- VII. Presentation and Consideration of Financial Reports  
*(page 27, line 21 through page 31, line 8)*
- VIII. Other Business  
*(page 31, line 9, through page 32, line 2)*
- IX. Adjournment  
*(page 32, line 7, through page 33, line 2)*

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Elizabeth Weber  
General Counsel

- Enclosures:
- 1. Minutes of the May 12, 2020 Regular Meeting
  - 2. Voting Record of the May 12, 2020 Regular Meeting

1 ILLINOIS FINANCE AUTHORITY  
2 REGULAR MEETING OF THE MEMBERS

3  
4 REPORT OF PROCEEDINGS  
5 of the Regular Meeting of the Illinois Authority  
6 Finance HELD IN PERSON and VIA AUDIO CONFERENCE on  
7 Tuesday, May 12, 2020 at 9:30 a.m., pursuant to  
8 notice.

9 PRESENT VIA AUDIO CONFERENCE:

10 ERIC ANDERBERG, CHAIRMAN

11 MR. JAMES FUENTES  
12 MR. MICHAEL GOETZ  
13 MR. WILLIAM HOBERT  
14 MS. ARLENE JURACEK  
15 MR. LERRY KNOX  
16 MR. LYLE McCOY  
17 MR. GEORGE OBERNAGEL  
18 MR. TERRENCE O'BRIEN  
19 MR. ROGER POOLE  
20 MS. BETH SMOOTS  
21 MR. JEFFREY WRIGHT  
22 MR. RANDY WEXLER  
23 MR. BRADLEY ZELLER

24 ILLINOIS FINANCE AUTHORITY STAFF:

MR. CHRISTOPHER MEISTER, Executive Director  
(in person and via audio conference)  
MR. BRAD FLETCHER, Vice President  
MR. RICH FRAMPTON, Executive Vice President  
MS. XIMENA GRANDA, Manager of Finance &  
Administration.

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GUESTS ALSO PRESENT VIA AUDIO CONFERENCE:

MR. TIM LIPPERT, CenterPoint Properties Trust,  
Oak Brook Illinois: Vice President of  
Finance.

MR. BRUCE BONJOUR

and

MS. CHRISTINE BIEBEL,  
Perkins CoieLLP (Chicago): Bond  
Counsel.

1                   CHAIRMAN ANDERBERG: Thank you. Good  
2 morning, everyone. This is Eric. And I'd like to  
3 call the meeting to order.

4                   So before that -- we have got two  
5 chime-ins I heard since we called in --

6                   In accordance with Section 6 of  
7 Executive Order 2020-33, the requirement of Section  
8 801-25 of the Illinois Finance Authority Act for a  
9 quorum of Members to be physically present at a  
10 single location to conduct a meeting of the  
11 Authority is suspended through May 29th, 2020, as  
12 are the provisions of Section 120 of the Open  
13 Meetings Act requiring or relating to in-person  
14 attendance by members of a public body.

15                   While Executive Director Meister is  
16 currently in the Authority's Chicago office at the  
17 location of the meeting and hosting the audio  
18 conference, all Members will attend this meeting via  
19 audio conference today.

20                   Brad, do you want to call the roll  
21 again, please?

22                   MR. FLETCHER: Certainly. Thank you,  
23 Mr. Chairman.

24                   I note that you called to order the

1 meeting at 9:32.

2 With all Members attending by audio  
3 conference, I'll call the roll.

4 Mr. Fuentes?

5 MEMBER FUENTES: Here.

6 MR. FLETCHER: Mr. Goetz?

7 MEMBER GOETZ: Here.

8 MR. FLETCHER: Mr. Hobert?

9 MEMBER HOBERT: Here.

10 MR. FLETCHER: Ms. Juracek?

11 MEMBER JURACEK: Here.

12 MR. FLETCHER: Mr. Knox?

13 MEMBER KNOX: Here.

14 MR. FLETCHER: Thank you, Lerry.

15 Mr. McCoy?

16 MEMBER MCCOY: Here.

17 MR. FLETCHER: Mr. Obernagel?

18 MEMBER OBERNAGEL: Here.

19 MR. FLETCHER: Mr. O'Brien?

20 MEMBER O'BRIEN: Here.

21 MR. FLETCHER: Mr. Poole?

22 MEMBER POOLE: Here.

23 MR. FLETCHER: Ms. Smoots?

24 MEMBER SMOOTS: Here.



1 MR. FLETCHER: Mr. Wexler?

2 MEMBER WEXLER: Here.

3 MR. FLETCHER: Mr. Wright?

4 MEMBER WRIGHT: Here.

5 MR. FLETCHER: Mr. Zeller?

6 MEMBER ZELLER: Here.

7 MR. FLETCHER: And Mr. Chairman?

8 CHAIRMAN ANDERBERG: Here.

9 MR. FLETCHER: Okay. Again, this is Brad  
10 Fletcher. Mr. Chairman, in accordance with Section  
11 6 of Executive Order 2020-33, a quorum of Members  
12 has been constituted at this time.

13 CHAIRMAN ANDERBERG: Again, this is Eric  
14 Anderberg. Thank you, Brad. Before we begin making  
15 our way through today's agenda, I'd like to request  
16 that each Member mute their audio when possible to  
17 eliminate any background noise unless you are making  
18 or seconding a motion, voting, or otherwise  
19 providing any comments for the record.

20 As a reminder, we are being recorded,  
21 and a court reporter is transcribing today's  
22 proceedings. For the consideration of the court  
23 reporter, I'd also like to ask that each Member  
24 state their name before making or seconding a motion

1 or otherwise providing any comments for the record.

2 Today's Approval of Agenda. Does  
3 anyone wish to make any additions, edits, or  
4 corrections to today's agenda?

5 (No response.)

6 Hearing none, I would like to request  
7 a motion to approve the agenda. Is there such a  
8 motion?

9 MEMBER GOETZ: This is Mike Goetz. So  
10 moved.

11 MEMBER SMOOTS: And this is Beth Smoots.  
12 I second it.

13 CHAIRMAN ANDERBERG: Thank you. This is  
14 Eric, again.

15 All those in favor?

16 (A chorus of ayes.)

17 Opposed?

18 (No response.)

19 The ayes have it.

20 Is there any public comment from the  
21 Members today?

22 EXECUTIVE DIRECTOR MEISTER: Mr. Chairman,  
23 this is Executive Director Meister. I am present  
24 here on the 10th floor of 160 North LaSalle,

1 Chicago, Illinois.

2 Earlier today, I confirmed that the  
3 agenda was posted on the first floor of 160 North  
4 LaSalle. I also discussed with the State Police in  
5 the event that any members of the public, if any of  
6 them turned up to attend the meeting to send them up  
7 unless they either refused or failed the temperature  
8 check which has been instituted in this building due  
9 to COVID-19, or if they were unruly or not complying  
10 with building regulations in any way. The State  
11 Police representatives understood that. I am  
12 sitting here in our usual office in the usual public  
13 boardroom where we are still celebrating St.  
14 Patrick's Day, and no members of the public have  
15 appeared.

16 CHAIRMAN ANDERBERG: Okay. Thank you,  
17 Chris.

18 I just want to extend -- for my  
19 remarks -- this is Eric again.

20 I just want to thank all of the  
21 directors for phoning in this morning and I just  
22 hope everybody and their families are staying safe  
23 and away from this virus. Hopefully, we can get  
24 back to seeing each other sooner than later in these

1 meetings.

2                   And also I want to extend on behalf  
3 of the Board the gratitude to the staff for  
4 continuing work at the IFA throughout this  
5 situation.

6                   Other than that, Chris, do you have  
7 any more comments?

8                   EXECUTIVE DIRECTOR MEISTER: Thank you,  
9 Mr. Chair. I join the Chair's comments.

10                   Again, I'm grateful to all the  
11 volunteer members of the Authority and all the staff  
12 for making today's meeting possible and allowing us  
13 to fulfill our mission.

14                   Again, I am grateful to the  
15 Governor's office who in the midst of all of their  
16 competing priorities were able to integrate a  
17 resolution of our statutory in-person quorum  
18 concerns into the April 30th, 2020 Executive Order,  
19 and then while that happened, U.S. Department of  
20 Treasury and our general counsel and assistant  
21 secretary worked tirelessly with outside bond  
22 counsel to resolve the question of the Federal Tax  
23 Equity and Fiscal Responsibility Act of 1982, or  
24 TEFRA, hearings, a federal requirement that is

1 administered by the Authority, and so that is going  
2 to be proceeding tomorrow in Springfield, but we're  
3 looking forward to this agenda.

4 And then I do just want to highlight  
5 the recognition of the Authority's newest product,  
6 Property Assessed Clean Energy Financing that was  
7 highlighted in Fast Company Magazine at the end of  
8 April of 2020. The cite is in my Message From The  
9 Executive Director. Thank you.

10 CHAIRMAN ANDERBERG: Thank you, Chris.  
11 This is Eric again.

12 I'd like to ask for the general  
13 consent of the Members to consider New Business  
14 Items 1 through 5 collectively and to have the  
15 subsequent recorded vote applied to each respective,  
16 individual New Business Item unless there are any  
17 specific New Business items that a Member would like  
18 to consider separately.

19 MEMBER GOETZ: Hi Chairman, this is Mike  
20 Goetz, Chairman, and I just would like to clarify  
21 something regarding Item Number 4, St. Anthony SLF  
22 and Deer Path SLF.

23 In October of 2011 and again in April  
24 of 2012, I abstained from votes on this project

1 because I was at the time involved in the day-to-day  
2 operations of Laborers' Home Development, which  
3 shared a mutual vendor, Gardant Management  
4 Solutions, with both of these SLFs. As I am no  
5 longer responsible for the day-to-day operations of  
6 Laborers' Home, I will not abstain from voting on  
7 this project today just as I did not abstain from  
8 voting on this project at our last meeting in March.

9 CHAIRMAN ANDERBERG: Thank you.

10 Okay, Brad.

11 MR. FLETCHER: Okay. Again, this is Brad  
12 Fletcher.

13 At this time, I would like to note  
14 that for each Conduit New Business item presented on  
15 today's agenda, the Members are considering approval  
16 only of the Resolution and not-to-exceed amount  
17 contained therein.

18 For Conduit Financing Projects, first  
19 is Item No. 1, CenterPoint Joliet Terminal Railroad,  
20 LLC, which is found on page 11 of your digital copy  
21 of your Board books.

22 Item 1 is a request for a one-time  
23 consideration of a Final Bond Resolution in a  
24 not-to-exceed amount of \$150 million on behalf of

1 CenterPoint Joliet Terminal Railroad, LLC in  
2 connection with further development of the  
3 CenterPoint Intermodal Center-Joliet or CIC Joliet  
4 Project.

5 The proposed Series 2020 Bonds will  
6 represent CenterPoint's fifth tax-exempt bond issue  
7 through IFA since 2010 for the CenterPoint  
8 Intermodal Center-Joliet, a surface freight  
9 rail-truck intermodal facility located on a 4,000  
10 plus acre site on a portion of the former Joliet  
11 Army Arsenal property.

12 The Federal Surface Transportation  
13 Act of 2005 enabled the US Department of  
14 Transportation to establish its Private Activity  
15 Bond Program under Section 142(m) of the Internal  
16 Revenue Code to enable the US Department of  
17 Transportation to allocate \$15 billion of  
18 programmatic bond issuance authorization to provide  
19 tax-exempt bond financing for privatized highway,  
20 mass transit, and intermodal surface freight  
21 transfer facilities nationally.

22 Under the US Department of  
23 Transportation's Surface Transportation Private  
24 Activity Bond Program, the private program sponsors

1 or developers apply jointly with the borrower's  
2 designated conduit issuer to apply for a portion of  
3 the \$15 billion national bond issuance  
4 authorization.

5 CenterPoint and IFA initiated  
6 collaboration in late 2006, which proceeded through  
7 a Preliminary Bond Resolution in August 2007,  
8 submission of the Bond Authorization application to  
9 the US Department of Transportation in late 2007,  
10 and a subsequent allocation award.

11 Upon issuance of the proposed Series  
12 2020 Bonds, the IFA will have issued \$605 million on  
13 behalf of the Joliet Intermodal Center Project.  
14 Upon issuing the subject bonds, CenterPoint will  
15 have exhausted its current US Department of  
16 Transportation Bond Authorization for this project.  
17 So, for now, the Series 2020 Bonds, expected to  
18 close and fund in early June will culminate almost  
19 15 years of collaboration with CenterPoint on its  
20 Joliet Intermodal Facility.

21 The Series 2020 Bond documents  
22 authorize the sale of Multi-Modal Bonds, but as with  
23 all prior series, the IFA Series 2020 Bonds will  
24 initially be purchased by members of CenterPoint's



1 banking syndicate with bonds bearing interest in the  
2 "Bank Rate Mode".

3 The Administrative Agent and the lead  
4 arranger for CenterPoint's banking syndicate is US  
5 Bank National Association. PNC and Regions Bank  
6 will also be initial purchasers of the Series 2020  
7 Bonds. The initial Bank Rate Mode is an adjustable  
8 rate mode that is expected to feature interest rate  
9 reset provisions every 1 to 5 years based on the  
10 spread over a LIBOR-based index rate or designated  
11 substitute for LIBOR, if applicable in the future.

12 As noted in the project report,  
13 CenterPoint Intermodal Center-Joliet has created  
14 thousands of full-time on-site intermodal facility  
15 jobs, trucking jobs, and induced or spin-off jobs.  
16 Additionally, ongoing and future planned  
17 construction has created and will continue to create  
18 the equivalent of thousands of full-time  
19 construction jobs.

20 The improvements financed at  
21 CIC-Joliet are located on an approximately  
22 4,000-acre site east of Interstate 55 and Arsenal  
23 Road interchange and south of the Des Plaines River.

24 The improvements include (1) an

1 approximately 835-acre Class I railroad intermodal  
2 facility, (2) 450 acres of onsite container and  
3 equipment management facilities, and (3)  
4 approximately 20 million square feet of related  
5 industrial facilities. Temporary warehouses and  
6 other trailer and container storage facilities  
7 related to rail-truck transfer will have loading  
8 docks, conveyor systems, cranes, and other related  
9 facilities and equipment eligible to be financed as  
10 "qualified surface freight transfer facilities."  
11 Project costs include costs of acquiring the project  
12 site, together with costs of the site improvements,  
13 buildings, equipment, and related improvements on  
14 the project site.

15 Based on the initial Bond purchase by  
16 members of CenterPoint's banking syndicate, the  
17 financing structure is sound and is low risk to the  
18 Authority and we recommend approval.

19 I'm now going to turn things over to  
20 Rich Frampton who has been our primary contact on  
21 the CenterPoint financing.

22 MR. FRAMPTON: This is Rich Frampton.  
23 Thank you, Brad.

24 Are there any questions or comments

1 from the Members?

2 (No response.)

3 Hearing none, I would like to  
4 introduce our guests today representing CenterPoint  
5 and their financing team by phone.

6 Representing CenterPoint is Mr. Tim  
7 Lippert, who is Vice President of Finance for  
8 CenterPoint Properties Trust. Additionally, we also  
9 have bond counsel, Mr. Bruce Bonjour and  
10 Ms. Christine Biebel from Perkins Coie LLP are also  
11 on the line.

12 With that, I'm going to just turn  
13 things over to Tim, briefly.

14 Tim, do you have any comments that  
15 you would like to make?

16 MR. LIPPERT: Yes. Thanks, Rich.

17 This is Tim Lippert at CenterPoint.  
18 On behalf of CenterPoint, I want to thank Rich and  
19 Brad and their staff for all their hard work over  
20 the years and for the ongoing support of the IFA's  
21 Board of Directors in helping us finance the  
22 construction and build out of CenterPoint Intermodal  
23 Center-Joliet.

24 We particularly want to thank

1 everyone involved in enabling an IFA Board meeting  
2 to convene under these extraordinary circumstances.

3 We expect CIC-Joliet will continue to  
4 be a significant job creation engine for the Chicago  
5 area for many years to come.

6 Again, thank you very much for your  
7 consideration today, and we hope everyone stays safe  
8 and healthy. Thanks.

9 MR. FRAMPTON: Thank you.

10 Back to you, Brad.

11 MR. FLETCHER: Thank you, sir. This is  
12 Brad Fletcher.

13 We will move next on the agenda to  
14 Item 2, which is page 26 in the digital copy of the  
15 Board book.

16 Item 2 is a 501(c)(3) Revenue Bond  
17 request. Staff requests approval of a one-time  
18 Final Bond Resolution for North Central College in  
19 an amount not-to-exceed \$22 million.

20 Bond proceeds will assist the College  
21 in providing a portion of the funds necessary to  
22 finance, refinance, or reimburse the College for all  
23 or a portion of the costs, including capitalized  
24 interest, if any, of the planning, design,

1 acquisition, renovation, repair, construction,  
2 furnishing, improvement, and equipping of certain  
3 new facilities constituting educational facilities,  
4 including, without limitation, the construction and  
5 equipping of a new academic building to house, among  
6 other things, engineering labs and health sciences  
7 programs and related landscaping, signage, and  
8 similar improvements, and to pay certain costs  
9 related to the issuance of the Bond.

10 BMO Harris Bank N.A. will be the  
11 purchasing bank for this Conduit transaction.

12 Does any Member have any questions or  
13 comments?

14 MEMBER McCOY: Yes. It's Lyle McCoy.  
15 Just a quick one.

16 You know, I think two months ago we  
17 wouldn't have blinked an eye at looking at this  
18 transaction because it makes a lot of sense in the  
19 cohort of the program we're trying to build.

20 Obviously, with the reality we're  
21 living through right now and what things could look  
22 like going forward in the next three to six months  
23 for a college, you know, it raises some questions,  
24 but I think when you look at the underlying

1 strengths of their balance sheet, what they have  
2 been able to raise, what they're doing, where  
3 they're located, and probably more importantly is  
4 the investor is a sophisticated investor at BMO and  
5 have done their due diligence. So I think it is a  
6 good one, but you know, the whole college area over  
7 the last, you know, ten years has gone through a lot  
8 of change or, you know, challenges, let's put it  
9 that way, but I think this is a good credit and, you  
10 know, I think they can withstand any issues that  
11 come up over the next three to six months.

12 And I thank staff for their work on  
13 this. And also on the next credit because I think  
14 it is the same with Roosevelt. Not the same type of  
15 credit, but there, you know, we have got an investor  
16 who has done their due diligence, is sophisticated,  
17 and knows what they're getting into. That's all.

18 CHAIRMAN ANDERBERG: Very good point,  
19 Lyle.

20 MR. FLETCHER: Thank you, Mr. McCoy.

21 If there are no other questions, I'll  
22 move on to Item 3, Roosevelt University. Okay.

23 Next is Item 3, Roosevelt University.  
24 This can be found beginning on page 35 in the

1 digital copy of the Board book.

2 Item 3 is a request by Roosevelt  
3 University authorizing the distribution of an  
4 Official Statement related to the IFA Tax-Exempt  
5 Revenue Bonds Series 2020A and IFA Taxable Revenue  
6 Bonds Series 2020B that were previously dated and  
7 delivered as of March 10, 2020.

8 The IFA Board had previously approved  
9 a Final Bond Resolution in the amount of \$15 million  
10 on January 14, 2020.

11 Voting records for the Members' prior  
12 votes in December and January are both reported on  
13 Page 2 of the memo.

14 The Series 2020 Bonds were issued,  
15 dated, and delivered on a private placement basis by  
16 Stern Brothers & Company, as underwriter, to Preston  
17 Hollow Capital, LLC, of Dallas, Texas, as the  
18 initial investor on March 10, 2020, as authorized by  
19 the January Bond Resolution.

20 Although the January Bond Resolution  
21 authorized issuance of the Series 2020 Bonds, the  
22 January 2020 Bond Resolution did not authorize  
23 distribution of the Official Statement related to  
24 the Series 2020 Bonds.

1                   Additionally, the Loan Agreement  
2 authorized by the January Bond Resolution provided  
3 that distribution of the Official Statement was to  
4 occur subsequent to Roosevelt's asset acquisition of  
5 Robert Morris University and issuance of the Series  
6 2020 Bonds.

7                   The Resolution authorizing  
8 distribution of the Official Statement for  
9 Roosevelt's Series 2020A and Series 2020B Bonds is  
10 presented on pages 5 through 7 of the memo.

11                   Additionally, as reported in  
12 connection with your consideration of the Final Bond  
13 Resolution back in January, excerpts from  
14 Roosevelt's Official Statement reflect updated  
15 financials on Roosevelt reflecting posting of the  
16 University's August 31st, 2019 audit report as well  
17 as the scope of Roosevelt's operations following its  
18 acquisition of Robert Morris University on March 9,  
19 2020.

20                   Other recent developments noted in  
21 the Official Statement, including a discussion of  
22 the impact of the novel COVID-19 pandemic and  
23 litigation affecting the University, are presented  
24 beginning on page 8 of the memo.



1 I'm now going to turn things over to  
2 Rich Frampton who has been IFA's primary contact on  
3 the Roosevelt financing.

4 MR. FRAMPTON: This is Rich Frampton.  
5 Thank you, Brad.

6 Are there any questions or comments  
7 from the Members?

8 (No response.)

9 MR. FRAMPTON: Okay. Hearing none, I'll  
10 turn things back over to you, Brad.

11 MR. FLETCHER: Thank you, Rich. Again,  
12 this is Brad Fletcher.

13 Moving on, next is Item 4. This  
14 begins on page 57 of the digital copy of the Board  
15 Book for the Members.

16 Item 4 is a request by the owners of  
17 the St. Anthony Supportive Living Facility, LLC, and  
18 Deer Path SLF LLC, Affordable Supportive Living  
19 Facility projects, to affirm and supplement the IFA  
20 Bond Resolution approved on March 10th that  
21 authorized a not-to-exceed amount of \$45 million of  
22 Refunding Bonds to combine these two, non-rated,  
23 standalone bond issues into a rated bond issue  
24 benefitting from the diversification resulting from

1 a two-project portfolio structure.

2 The current combined outstanding  
3 balances of the non-rated Series 2012 Bonds issued  
4 for the projects total \$37.4 million.

5 The projects have common underlying  
6 owners including (1) Mr. Zach Leonard, who is the  
7 Managing Member and partial owner of each project,  
8 and (2) Affordable Housing Partners, Inc., a Los  
9 Angeles-based wholly-owned subsidiary of Berkshire  
10 Hathaway, Inc., as the 4 percent Tax Credit Investor  
11 Member and majority owner of each project.

12 Subsequent to approval of the March  
13 Bond Resolution, S&P assigned "A-" investment grade  
14 ratings to both the \$32,200,000 IFA Senior Series  
15 2020A Tax-Exempt Bonds and the \$8,685,000 IFA Senior  
16 2020B Taxable Bonds, which includes the  
17 corresponding Series 2020A and Series 2020B Bonds  
18 for each project.

19 The Resolution presented on pages 5  
20 through 9 of the memo affirms and supplements the  
21 March Bond Resolution by authorizing proceeds of the  
22 Bonds, and specifically, the \$8,685,000 "A-" rated  
23 IFA Series 2020B Bonds, to now be used to pay not  
24 only (1) deferred developer fees to the Managing

1 Member, Zach Leonard, and (2) reimbursing costs of  
2 issuance as previously authorized, but also to cover  
3 two additional uses, including (a) reimbursing the  
4 Managing Member for loans advanced to the project,  
5 and (b) paying distributions to both the Managing  
6 Member and Investor Member pursuant to the  
7 applicable operating agreement for each project.

8 One other matter to note, volatile  
9 market conditions in the municipal credit markets  
10 have delayed pricing on the proposed St. Anthony and  
11 Deer Path Refunding Bonds.

12 Accordingly, I'm now going to turn  
13 things over to Rich Frampton, who has been IFA's  
14 primary contact on the St. Anthony and Deer Path  
15 financing.

16 Rich.

17 MR. FRAMPTON: This is Rich Frampton.  
18 Thank you, Brad.

19 Are there any questions or comments  
20 from the Members?

21 (No response.)

22 Hearing none, I'll turn things back  
23 over to you, Brad.

24 MR. FLETCHER: Thank you, Rich.

1           Next on the agenda is Item 5. This  
2 is the Resolution relating to Smart Hotels/Olympia  
3 Chicago, LLC, and the Series 2017 Bonds. This  
4 begins on page 68 of the digital copy of the Board  
5 Book.

6           Item 5 is a Resolution authorizing  
7 the execution and delivery of a Second Amendment to  
8 the Bond and Loan Agreement and related documents to  
9 effectuate the deferral of principal and interest  
10 payments for up to 6 months and temporarily waive  
11 certain covenants on the Series 2017 Bond previously  
12 issued by the Authority on behalf of Smart  
13 Hotels/Olympia Chicago, LLC. The Series 2017 Bond  
14 is currently held by BMO Harris Bank N.A.

15           Smart Hotels/Olympia Chicago, LLC was  
16 created for the special purpose of acquiring a hotel  
17 site and developing, constructing, and equipping an  
18 approximately 130-room, six-story hotel that was  
19 constructed as part of the Harper Court mixed-use  
20 redevelopment project located at the northeast  
21 corner of East 52nd Place and Harper Avenue in  
22 Chicago.

23           Adoption of this Resolution will  
24 provide consent to changes as agreed to by the

1 Borrower and the Bank concerning the proposed --  
2 excuse me -- concerning the existing Series 2017  
3 Bond. Specifically, the Borrower and Bank desire to  
4 defer principal and interest payments for at least 3  
5 months, potentially for a maximum of 6 months.

6 As proposed, bond counsel has  
7 determined that a new TEFRA hearing will not be  
8 necessary and has further concluded that this  
9 deferral of principal and interest payments will not  
10 constitute a reissuance of the Series 2017 Bonds for  
11 federal tax purposes. The Authority has received a  
12 no adverse effect opinion from bond counsel in  
13 connection therewith.

14 Does any Member have any questions or  
15 comments?

16 (No response.)

17 Thank you, Mr. Chairman.

18 CHAIRMAN ANDERBERG: Thank you. Brad.  
19 This is Eric, again.

20 I would like request a motion to pass  
21 and adopt the following New Business items:  
22 Items 1, 2, 3, 4, and 5.

23 Is there such a motion?

24 MEMBER McCOY: This is Lyle McCoy. So

1 moved.

2 MEMBER KNOX: This is Lerry Knox. I  
3 second.

4 CHAIRMAN ANDERBERG: Thank you, Lerry.  
5 Thank you, Lyle. This is Eric Anderberg.

6 Will the Assistant Secretary please  
7 call the roll?

8 MR. FLETCHER: Certainly. Again, this is  
9 Brad Fletcher. On the motion by Mr. McCoy and  
10 second by Mr. Knox, I'll call the roll.

11 Mr. Fuentes?

12 MEMBER FUENTES: Yes.

13 MR. FLETCHER: Mr. Goetz? Mr. Goetz?

14 MEMBER GOETZ: I'm sorry. Yes. I had my  
15 phone muted.

16 MR. FLETCHER: Thank you, Mike.

17 Mr. Hobert?

18 MEMBER HOBERT: Yes.

19 MR. FLETCHER: Ms. Juracek?

20 MEMBER JURACEK: Yes.

21 MR. FLETCHER: Mr. Knox?

22 MR. KNOX: Yes.

23 MR. FLETCHER: Mr. McCoy?

24 MEMBER MCCOY: Yes.

1 MR. FLETCHER: Mr. Obernagel?  
2 MEMBER OBERNAGEL: Yes.  
3 MR. FLETCHER: Mr. O'Brien?  
4 MEMBER O'BRIEN: Yes.  
5 MR. FLETCHER: Mr. Poole?  
6 MEMBER POOLE: Yes.  
7 MR. FLETCHER: Ms. Smoots?  
8 MEMBER SMOOTS: Yes.  
9 MR. FLETCHER: Mr. Wexler?  
10 MEMBER WEXLER: Yes.  
11 MR. FLETCHER: Mr. Wright?  
12 MEMBER WRIGHT: Yes.  
13 MR. FLETCHER: Mr. Zeller?  
14 MEMBER ZELLER: Yes.  
15 MR. FLETCHER: And Mr. Chairman?  
16 CHAIRMAN ANDERBERG: Yes.  
17 MR. FLETCHER: Again, this is Brad  
18 Fletcher. Mr. Chairman, the motion carries.  
19 CHAIRMAN ANDERBERG: Thank you, Brad.  
20 This is Eric again.  
21 Six, will you please present the  
22 financial reports.  
23 MS. GRANDA: Good morning, everyone. I  
24 am Ximena Granda, Manager of Finance and

1 Administration for the Authority. I will be  
2 presenting the General Fund Financial Information as  
3 of April 30, 2020.

4 In April, the Authority reported  
5 operating revenues of \$306,000, which is lower than  
6 the budgeted amount of \$317,000. This brings our  
7 total annual operating revenue to \$3.2 million,  
8 which is \$158,000 lower than budget. This is  
9 primarily due to less than expected income on  
10 interest on loans.

11 Our non-operating revenue for April  
12 was \$77,000, which is lower than our monthly  
13 budgeted amount of \$83,000. This brings our total  
14 annual non-operating revenues to \$1.1 million, which  
15 is \$306,000 higher than budget. This is primarily  
16 due to the valuation of the investments as the  
17 yields are at historical lows driving the bond  
18 prices very high.

19 In April, the Authority recorded  
20 operating expenses of \$354,000, which was lower than  
21 the monthly budgeted amount of \$400,000.

22 Our total annual expenses of  
23 \$3.5 million were \$507,000 or 12.7 percent lower  
24 than budget, which was mostly driven by below budget



1 spending on employee-related expenses and  
2 professional services.

3 Our net income for April was \$29,000,  
4 which brings our total annual net income to  
5 \$655,000. Again, the major driver of the annual  
6 positive bottom line continues to be the level of  
7 overall spending at 12.7 percent below budget and  
8 higher than expected interest and investment income.

9 The Authority's General Operating  
10 Fund continues to maintain a strong balance sheet,  
11 with a total net position of \$60.3 million and total  
12 assets of \$60.7 million.

13 Moving on to our Treasury. Treasury  
14 reports will be provided in our next board meeting.

15 Now, moving to Audit. The two-year  
16 compliance examination for Fiscal Year 2018 and  
17 Fiscal Year 2019 was released on April 15, 2020.  
18 The Authority will be scheduling an Audit Committee  
19 meeting in the next few weeks to discuss the audit  
20 and the corrective action plan for the findings.

21 The Authority is now scheduled to  
22 have its entrance conference for Fiscal Year 2020  
23 Financial Audit tomorrow, May 13, at 9:30 a.m.

24 As for the internal audit, our

1 internal auditors and the Authority had an exit  
2 conference on April 28 for the Locally Held Fund  
3 Audit. Once the final report is received, it will  
4 be distributed to the Board.

5 We currently have two audits in  
6 progress. They are the Revenues, Receivables, and  
7 Receipts, and the Transformation Initiative Audit.  
8 We anticipate completing these two audits by the end  
9 of the fiscal year.

10 Are there any questions?

11 (No response.)

12 Thank you. I turn it over to you,  
13 Mr. Chairman.

14 CHAIRMAN ANDERBERG: Thank you, Six.  
15 This is Eric again.

16 I would like to request a motion to  
17 accept the Financial Reports. Is there such a  
18 motion?

19 MEMBER GOETZ: This is Mike Goetz. So  
20 moved.

21 MEMBER JURACEK: This is Arlene Juracek.  
22 I second.

23 CHAIRMAN ANDERBERG: Thank you, Arlene.  
24 This is Eric Anderberg.

1 All those in favor?

2 (A chorus of ayes.)

3 Opposed?

4 (No response.)

5 The ayes have it.

6 The corrections and approval of the  
7 minutes from the regular meeting on March 10th will  
8 be deferred until the next regular meeting.

9 Is there any other business items to  
10 come before the Members today?

11 (No response.)

12 Hearing none, I would like to request  
13 a motion to excuse the absences of members unable to  
14 participate today.

15 Is there such a motion?

16 MEMBER POOLE: Yes, I'm sorry. This is  
17 Roger Poole. So moved.

18 MEMBER O'BRIEN: This is Terry O'Brien.  
19 Second.

20 CHAIRMAN ANDERBERG: Thank you, guys.  
21 This is Eric again.

22 All those in favor?

23 (A chorus of ayes.)

24 Opposed?

1 (No response.)

2 The ayes have it.

3 The next regularly scheduled meeting  
4 will be June 9, and I'm assuming if things stay the  
5 same that we might be in the same format. Hopefully  
6 we will be back again.

7 I would like to request a motion to  
8 adjourn.

9 Is there such a motion?

10 MEMBER FUENTES: This is Jim Fuentes. So  
11 moved.

12 CHAIRMAN ANDERBERG: Do we have a second  
13 by Mr. Zeller? Brad?

14 MEMBER ZELLER: Yes. Yes.

15 CHAIRMAN ANDERBERG: Second by  
16 Mr. Zeller. Okay. This is Eric again.

17 All those in favor?

18 (A chorus of ayes.)

19 Opposed?

20 (No response.)

21 The ayes have it.

22 Thank you, everyone. Stay safe.

23 Thank you.

24 MR. FLETCHER: The time is 10:03 a.m.

1 Chris, please hit star 2 and then end  
2 the call. Thank you.

3 (The above-captioned meeting was  
4 adjourned at 10:03 a.m.)

5 (Off the record at 10:03 a.m.)  
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REPORTER CERTIFICATION

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I, JO ANN LOSOYA, a Certified Shorthand Reporter of the State of Illinois, do hereby certify that I reported in shorthand the proceedings had at the meeting aforesaid, and that the foregoing is a true, complete and correct transcript of the proceedings of said meeting as appears from my stenographic notes so taken and transcribed under my personal direction.

IN WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this June 3, 2020.



JO ANN LOSOYA

C.S.R. No. 084-002437

<b>&amp;</b>	<b>2017</b> 24:3,11,13 25:2,10	<b>4,000</b> 11:9 13:22	<b>absences</b> 31:13
<b>&amp;</b> 1:22 19:16	<b>2018</b> 29:16	<b>400,000</b> 28:21	<b>abstain</b> 10:6,7
<b>0</b>	<b>2019</b> 20:16 29:17	<b>45</b> 21:21	<b>abstained</b> 9:24
<b>084-002437</b> 34:17	<b>2020</b> 1:7 3:11 8:18	<b>450</b> 14:2	<b>academic</b> 17:5
<b>1</b>	9:8 11:5 12:12,17 12:21,23 13:6 19:7,10,14,18,21 19:22,24 20:6,19 28:3 29:17,22 34:13	<b>5</b>	<b>accept</b> 30:17
<b>1</b> 9:14 10:19,22 13:9,24 22:6,24 25:22	<b>2020-33</b> 3:7 5:11	<b>5</b> 9:14 13:9 20:10 22:19 24:1,6 25:22	<b>acquiring</b> 14:11 24:16
<b>1.1</b> 28:14	<b>2020a</b> 19:5 20:9 22:15,17	<b>501</b> 16:16	<b>acquisition</b> 17:1 20:4,18
<b>10</b> 19:7,18	<b>2020b</b> 19:6 20:9 22:16,17,23	<b>507,000</b> 28:23	<b>acre</b> 11:10 13:22 14:1
<b>10:03</b> 32:24 33:4,5	<b>2166</b> 34:16	<b>52nd</b> 24:21	<b>acres</b> 14:2
<b>10th</b> 6:24 21:20 31:7	<b>22</b> 16:19	<b>55</b> 13:22	<b>act</b> 3:8,13 8:23 11:13
<b>11</b> 10:20	<b>26</b> 16:14	<b>57</b> 21:14	<b>action</b> 29:20
<b>12</b> 1:7	<b>28</b> 30:2	<b>6</b>	<b>activity</b> 11:14,24
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<p><b>valuation</b> 28:16  <b>vendor</b> 10:3  <b>vice</b> 1:21,21 2:4 15:7</p>	<p><b>year</b> 29:15,16,17 29:22 30:9  <b>years</b> 12:19 13:9 15:20 16:5 18:7  <b>yields</b> 28:17</p>	
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ILLINOIS FINANCE AUTHORITY  
 VOICE VOTE  
 MAY 12, 2020 AGENDA OF THE REGULAR MEETING OF THE MEMBERS  
 APPROVED

May 12, 2020

14 YEAS	0 NAYS	0 PRESENT
Y Fuentes †	Y McCoy †	Y Smoots †
Y Goetz †	E Nava	Y Wexler †
Y Hobert †	Y Obernager †	Y Wright †
Y Juracek †	Y O'Brien †	Y Zeller †
Y Knox †	Y Poole †	Y Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0512-CF01  
 PRIVATE ACTIVITY BONDS - REVENUE BONDS  
 CENTERPOINT JOILJET TERMINAL RAILROAD, LLC  
 FINAL  
 PASSED\*

May 12, 2020

14 YEAS

0 NAYS

0 PRESENT

Y	Fuentes †	Y	McCoy †	Y	Smoots †
Y	Goetz †	E	Nava	Y	Wexler †
Y	Hobert †	Y	Obernage †	Y	Wright †
Y	Juracek †	Y	O'Brien †	Y	Zeller †
Y	Knox †	Y	Poole †	Y	Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION NO. 2020-0512-CF02  
PRIVATE ACTIVITY BONDS - REVENUE BONDS  
NORTH CENTRAL COLLEGE  
FINAL  
PASSED\*

May 12, 2020

14 YEAS

0 NAYS

0 PRESENT

Y	Fuentes †	Y	McCoy †	Y	Smoots †
Y	Goetz †	E	Nava	Y	Wexler †
Y	Hobert †	Y	Obernage †	Y	Wright †
Y	Juracek †	Y	O'Brien †	Y	Zeller †
Y	Knox †	Y	Poole †	Y	Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0512-CF03  
 RESOLUTION AUTHORIZING THE DISTRIBUTION OF  
 AN OFFICIAL STATEMENT RELATED TO THE  
 ILLINOIS FINANCE AUTHORITY REVENUE BONDS  
 (ROOSEVELT UNIVERSITY) SERIES 2020A, AND  
 ILLINOIS FINANCE AUTHORITY TAXABLE  
 REVENUE BONDS (ROOSEVELT UNIVERSITY)  
 SERIES 2020B, ISSUED BY THE ILLINOIS FINANCE  
 AUTHORITY ON BEHALF OF ROOSEVELT  
 UNIVERSITY

ADOPTED\*

May 12, 2020

14 YEAS

0 NAYS

0 PRESENT

Y	Fuentes †	Y	McCoy †	Y	Smoots †
Y	Goetz †	E	Nava	Y	Wexler †
Y	Hobert †	Y	Obernage †	Y	Wright †
Y	Juracek †	Y	O'Brien †	Y	Zeller †
Y	Knox †	Y	Poole †	Y	Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0512-CF04  
 RESOLUTION SUPPLEMENTING IFA RESOLUTION NO. 2020-0310-CF02 WHICH AUTHORIZED THE ISSUANCE OF NOT TO EXCEED \$45,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2020 (ST. ANTHONY – DEER PATH PROJECTS), THE PROCEEDS OF WHICH ARE TO BE LOANED TO ST. ANTHONY SLF, LLC AND DEER PATH SLF, LLC.  
 ADOPTED\*

May 12, 2020

14 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes †	Y	McCoy †	Y	Smoots †
Y	Goetz †	E	Nava	Y	Wexler †
Y	Hobert †	Y	Obernage †	Y	Wright †
Y	Juracek †	Y	O'Brien †	Y	Zeller †
Y	Knox †	Y	Poole †	Y	Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION NO. 2020-0512-CF05  
 RESOLUTION AUTHORIZING AND APPROVING THE  
 EXECUTION AND DELIVERY OF A SECOND  
 AMENDMENT TO BOND AND LOAN AGREEMENT  
 AMONG THE ILLINOIS FINANCE AUTHORITY, SMART  
 HOTELS/OLYMPIA CHICAGO, LLC AND BMO HARRIS  
 BANK N.A. AND RELATED MATTERS.  
 ADOPTED\*

May 12, 2020

14 YEAS

0 NAYS

0 PRESENT

Y	Fuentes †	Y	McCoy †	Y	Smoots †
Y	Goetz †	E	Nava	Y	Wexler †
Y	Hobert †	Y	Obernage †	Y	Wright †
Y	Juracek †	Y	O'Brien †	Y	Zeller †
Y	Knox †	Y	Poole †	Y	Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference

\* Consent Agenda

ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
ACCEPT THE FINANCIAL REPORT FOR MAY 12, 2020  
ACCEPTED

May 12, 2020

14 YEAS

0 NAYS

0 PRESENT

Y	Fuentes †	Y	McCoy †	Y	Smoots †
Y	Goetz †	E	Nava	Y	Wexler †
Y	Hobert †	Y	Obernage †	Y	Wright †
Y	Juracek †	Y	O'Brien †	Y	Zeller †
Y	Knox †	Y	Poole †	Y	Mr. Chairman †

E – Denotes Excused Absence

† - In accordance with Executive Order 2020-33, the Member participated via audio conference