

QUALIFIED PUBLIC EDUCATIONAL FACILITIES BOND PROGRAM

Qualified Public Educational Facilities (QPEF) Bond Program ELIGIBILITY REQUIREMENTS

A State or local educational agency must enter **into a public-private partnership** agreement with a for-profit corporation under which the for-profit corporation agrees to do one or more of the following for a **public school facility**:

1. **Construct**
2. **Rehabilitate**
3. **Refurbish**
4. **Equip**

Such a public-private partnership agreement would typically be under a **lease arrangement**. At the end of the term of the agreement, ownership of the bond-financed property is to be transferred to the public school for no additional consideration.

The full faith and credit of the state does not back the bonds. Therefore, QPEF's financing through the MPEFA is limited to firms whose own credit worthiness (or the financial viability of the project) is sufficient to attract a bond buyer, or a letter of credit from a bank guaranteeing repayment of the bond.

MPEFA Mission

The Michigan Public Educational Facilities Authority is dedicated to providing opportunities for low cost financing and technical assistance for (i) qualified public educational facilities and (ii) public school academies through its bonding and loan programs.

APPLICATION PROCESS

Once the public-private partnership has been established, the following steps summarize the actions necessary to obtain QPEF bond financing through the MPEFA:

- Step 1** Applicant prepares "Evaluation Request" and submits it to the MPEFA at least two weeks prior to the next MPEFA meeting date.
- Step 2** MPEFA considers an inducement resolution at its public meeting recognizing the public purpose of the project.
- Step 3** Applicant structures the financing and bond counsel begins to prepare documents.
- Step 4** MPEFA staff:
 - *publishes public hearing notice at least 14 days prior to date of hearing
 - *holds public hearing in Lansing
 - *obtains required governmental approvals
- Step 5** Financing documents are prepared by counsel and reviewed and accepted by all parties to the transaction.
- Step 6** MPEFA adopts bond resolution authorizing the issuance of the bonds.
- Step 7** MPEFA, borrower, purchaser and counsel close on the project financing.

Contact MPEFA

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