

# Application and Loan Process – August 2015

*Closing Date: August 20, 2015*

## 1. Borrower Selects Local Counsel

The Bond Buyer's Municipal Marketplace Directory (a.k.a. the Red Book™) must recognize a borrower's note counsel. Contact the MFA for a listing of recognized note counsel, if necessary.

**The MFA will only accept applications for participation in the State Aid Note pool from the borrower's note counsel.** Public school academies should not submit the application directly to the MFA.

## 2. Borrower Completes Application and Cash Flow

The *PSA State Aid Note Program Application* (Form 4039A) and the *PSA State Aid Note Program Projected Cash Flow* (Form 4046A) are available from the MFA website at [www.michigan.gov/mfa](http://www.michigan.gov/mfa).

## 3. Borrower's Board of Directors Adopts Borrowing Resolution

The borrowing resolution is available on the MFA website, [www.michigan.gov/mfa](http://www.michigan.gov/mfa),

## 4. Borrower Must Obtain Prior Approval or Pre-Qualification from Treasury, Local Audit and Finance Division (LAFD)

A borrower's local note counsel may be of assistance with the prior approval application process for fiscal year 2015. A Qualifying letter or a copy of the prior approval application must be submitted with the State Aid Note Program Application.

## 5. PHASE 1: Borrower's Note Counsel Submits Required Documentation to MFA on or before June 12, 2015

- Completed *PSA State Aid Note Program Application* (Form 4039A)
- Qualification letter or proof of application (see #4)
- Educational Service Provider Agreement (management contract), if any
- Letter from the borrower's Authorizing Body stating there is a valid charter and there are no outstanding notices to revoke or requests for termination.

## 6. PHASE 2: Borrower's Note Counsel Submits Required Documentation to MFA on or before July 1, 2015

- Completed *PSA State Aid Note Program Projected Cash Flow* (Form 4046A) **submitted electronically as an Excel spreadsheet**
  - Monthly Cash Flow for July 2015 through August 2016
  - Weekly Cash Flow for the month from August 2015 through August 2016 with the greatest deficit from all borrowers
- General Fund Budgets
  - Fiscal Year Ended 6/30/2015, as amended
  - Fiscal Year Ended 6/30/2016, as adopted
- Authorizing resolution adopted by the Borrower's Board of Directors

## 7. MFA Prices the Notes and Borrower Signs Purchase Contract

- MFA will price the notes and notify borrowers of the interest rates obtained (scheduled: **July 27, 2015**).
- After pricing, MFA will e-mail the purchase contract to the borrower's primary and alternate contacts identified on the PSA SAN application:
- An authorized officer of the borrower must sign six copies of the purchase contract.
- Fax or e-mail a signed copy of the purchase contract to MFA **no later than 2:00 p.m. on July 31, 2015**.

## 8. Borrower's Note Counsel Submits Closing Documents and Borrower Receives Funds

- MFA will e-mail forms of all required documents to a borrower's note counsel in advance of the closing date.
- Each borrower must coordinate with its note counsel and complete six copies of all required closing documents, including all appropriate signatures.
- A borrower's note counsel must deliver all required, executed documents to the MFA's SAN Note Counsel by **10:00 a.m. August 7, 2015**, including the following, which are required for fund disbursement:
  - Completed Incumbency Certificate
  - Completed Requisition Certificate
- On the closing date, **August 20, 2015**, the MFA's trustee will wire transfer a borrower's note proceeds according to the wire instructions provided by the borrower on the PSA SAN application.

## Michigan Finance Authority

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