



NMFA Charter School Financing Overview

*Presentation to
New Mexico Finance Authority
Oversight Committee*

August 9, 2018



Public Project Revolving Fund (PPRF) Charter School History

- ❖ Key PPRF policy considerations when considering charter school financing:
 - Charter school must have gone through at least one charter renewal
 - Demonstrated administrative and financial capacity
 - 75% loan-to-value collateral ratio when lending directly to the charter school
 - 80% loan-to-value collateral ratio when the chartering school district acts on behalf of the charter school
 - No less than 1.10x annual coverage of charter school's total revenue



Public Project Revolving Fund (PPRF) Charter School History

- ❖ Albuquerque Public School District / Digital Arts & Technology Academy Charter School
 - In August 2013, APS closed on \$2.74 million lease purchase financing on behalf of DATA Charter School.
 - NMFA owned the facility and entered into a lease purchase agreement with APS, who in turn subleased the facility to DATA Charter School.
 - In June 2018, APS exercised its purchase option under the lease purchase and paid off the NMFA lease for the facility.

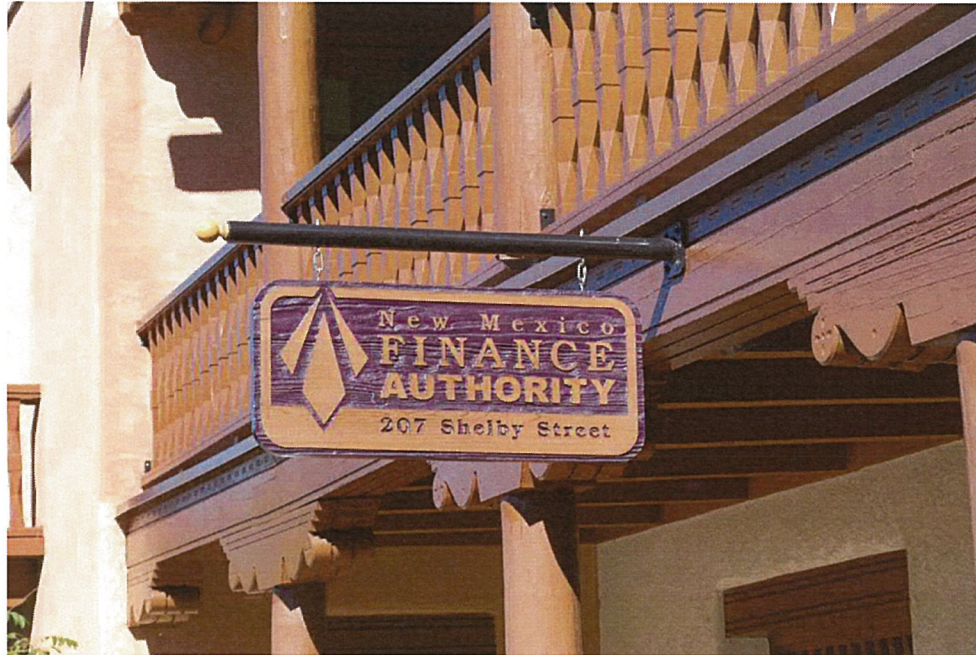


Public Project Revolving Fund (PPRF) Charter School History

- ❖ Socorro County / Cottonwood Valley Charter School
 - Socorro County closed on a \$1.12 million PPRF loan in November 2013 to construct a new building on behalf of the Cottonwood Valley Charter School.
 - The County pledged GRT as security and repayment of the loan.
 - The County owns the facility and has an underlying lease in place between the County and Cottonwood Valley Charter School.
 - Loan is scheduled to mature May 2023.



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