



Agenda Item 2

Upcoming NMFA Bond Issues

The Finance Authority will sell two separate bond issues in October 2013.

The first issue, 2013B, will be a tax-exempt, senior lien, Public Project Revolving Fund Revenue Bonds, series 2013B, negotiated sale in the amount of about \$17.5 million. Included in this bond issue will be reimbursement for 23 loans previously made and closed by the PPRF plus funding for one loan to Sandoval County to close simultaneously with the bond issue in the amount of about \$8 million. The bond issue will have a 10-year call provision.

The second issue, 2013C, will have two tranches.

The first tranche will be a tax-exempt, subordinate lien, Public Project Revolving Fund Revenue Bonds, series 2013C-1, negotiated sale in the amount of about \$4 million. Included in the C-1 tax-exempt tranche will be reimbursement for a loan made in 2012 to the New Mexico Department of Health secured by cigarette tax revenues.

The second tranche will be a taxable, subordinate lien, Public Projects Revolving Fund Revenue Bonds, series 2013C-2, negotiated sale in the amount of about \$12 million. Included in the series 2013C-2 taxable tranche will be reimbursement for seven loans previously made and closed by the PPRF. These seven taxable loans include loans to health care facilities backed by cigarette tax revenues, to a Special Assessment District, and for a lease purchase loan to a charter school.

Both tranches of the 2013C bond issue will have 5-year call provisions, rather than a standard municipal market 10-year call provision, due to the special repayment and cancellation provisions of cigarette tax, special assessment district, and charter school lease purchase loans.

The two bond issues will total about \$33.5 million in amount. Ratings for these bond issues will be provided by Standard and Poors and Moody's. NMFA staff and our financial advisor made presentations to both agencies via conference call on September 26th. The banking firms underwriting these two negotiated sales have been selected by an RFP process.