

Complex Loans Simple Solutions



1 MICRO Loan

The objective of Minnesota Rural Water Association's Micro Loan Program is to help Members finance small projects at the lowest possible cost. Program specifics: loans from \$30,000 to \$200,000 repaid in seven years or less, structured as single G.O. Note, tax-exempt, bank qualified, all loans placed with one bank, proceeds closed to a checking account at the same bank, loans with terms of two years or less can be prepaid at any time at par; loans with terms over 2 years must pay a call premium of 0.5% if prepaid in the first two years. Benefits to borrowers: simple, quick, competitive interest rates, and low, fixed costs. For more information: www.mrwa.com/microloan.htm or MRWA Administrator Ruth Hubbard at 800-367-6792 or Financial Advisor David Drown Associates at 612-920-3320.

2 MIDI Loan

This new program provides Minnesota units of government with a quick and low-cost alternative to conventional G.O. Bond Sales. It is most suitable for debt amounts of up to \$1 million, which can be repaid in 15 years or less. **Basic Credit Criteria:** 1. Borrowers must have a population of 400, reduced to at least 200 if population has not declined since the 2000 census. 2. Borrower's G.O. direct debt must be less than \$5,000 per capita, including the proposed debt amount and including any debt the borrowers plan to issue in the next 12 months. 3. Debt must carry the full faith and credit G.O. Pledge of the borrower. 4. Note amounts are limited to \$1 million or less, and repaid over 15 years or less. **Benefits to Borrowers:** •*Easy application and immediate commitment.* •*Lower issuance costs – and smaller debt issues!* •*Flexible Prepayment.* •*Competitive Payments.* •*Free quotes and preliminary structuring.* •*Professional advisor support available as needed.* These services are all part of the MIDI program. Feel free to use them. For more information: www.mrwa.com/midi.htm or MRWA Administrator Ruth Hubbard at 800-367-6792 or Financial Advisor David Drown Associates at 612-920-3320.

3 MEGA Loan

This loan program makes available loans over \$1 million. Ask for a custom quote online at: www.mrwa.com/wform12.htm or MRWA Administrator Ruth Hubbard at 800-367-6792 or Financial Advisor David Drown Associates at 612-920-3320.

4 Interim Financing

The purpose of the Minnesota Rural Water Finance Authority is to provide an interim construction loan program to provide funding for communities which have received a permanent loan commitment from the United State Department of Agriculture, Rural Development (RD). The program is structured to provide a mechanism for obtaining competitive fixed rate loans for construction projects at a very low cost of borrowing. The stated or nominal loan rate is fixed at the market level. Loan funds are disbursed on an invoice requisition basis. The effective rate of funds is estimated at approximately 1% - 3% depending on the actual timing of disbursements. For more information: www.mrwa.com/interimfinancing.htm or MRWA Administrator Ruth Hubbard at 800-367-6792.



David Drown Associates (DDA) is the financial advisor and servicer for the programs.