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Expansion of Issuing Authority – No Effect on State Bonding Capacity or Credit Rating.

The Minnesota Higher Education Facilities Authority (“MHEFA” or “Authority”) has proposed legislation which expands its issue authority to include Not-for-Profit Healthcare and Senior Living facilities. Adding the Authority as a financing option will improve access to the debt market and reduce costs for borrowers.

The proposed legislation increases the Authority’s Bonds Outstanding limit to \$5 Billion (the current limit is \$2 Billion). The capacity is allocated \$2.25 billion for higher education and \$2.75 billion for healthcare.

- **The increase will have no effect on the bonding capacity of the State**
- **The increase will have no effect on the credit rating of the State**
- **The increase will have no effect on the interest rate on State of Minnesota bonds**

**Debt issued by the Authority is not supported in any manner by the State. The debt and the interest on debt issued by the Authority will never be considered debt of the State of Minnesota. Authority issued debt shall not be considered a liability of the State of Minnesota or a charge against the credit of the Authority or the State of Minnesota or the taxing power of the State of Minnesota. The Authority has no taxing power.**

**There is no monetary support, nor any direct or indirect tax support, nor any moral obligation support for Authority debt by the State.**

The Minnesota Higher Education Facilities Authority has operated since 1971 and has issued 253 financings, with \$1.2 billion of debt outstanding as of March 15, 2025.