



380 JACKSON STREET, SUITE 450, ST. PAUL, MN 55101

Phone: 651.296.4690 Fax: 651.297.5751

The Minnesota Higher Education Facilities Authority has operated since 1971 as a conduit bond issuer authorized by Minnesota Statutes to provide tax-exempt or taxable financing to nonprofit colleges and universities within the State of Minnesota for capital improvements, such as construction of new or renovation of existing campus facilities, or to refinance existing debt incurred for campus capital projects.

The Authority has received requests from nonprofit healthcare and senior living organizations for assistance in financing their capital projects.

To assist these potential borrowers, the Authority proposes to amend the MHEFA authorizing statute, Minnesota Statutes Sections 136A.25 to 136A.46. The amendments would expand the Authority's financing authority to include nonprofit capital facilities for healthcare and senior living organizations.

The benefits of expanding MHEFA's conduit issuing authority are summarized as follows:

- Provide expanded capital finance options for nonprofit:
 - Healthcare entities, and
 - Senior living organizations
- Enhance access to tax-exempt financing
 - Help keep project financing costs low
 - No cost to State of Minnesota taxpayers
 - Borrower fees pay all Authority operating costs
 - Borrowers pay all financing costs
- Remove risks associated with local government as issuer
- Provide additional value-added services for borrowers

The Authority is a full-service conduit bond financing authority that receives no State of Minnesota financial support. The Authority is completely funded by fees charged to borrowers. Fees are substantially lower than allowed by the Internal Revenue Service and represent a solid value for borrowers.