



Tennessee Municipal Bond Fund Information Regarding TMBF Loan Programs

The Tennessee Municipal Bond Fund ("TMBF") was created in 1985 by the Tennessee Municipal League in order to work with Tennessee cities and towns to obtain financing for capital projects at the lowest possible cost. TMBF is a non-profit quasi-governmental entity. To date, we have made over 1,550 loans to 209 different cities and 71 different counties in the amount of approximately 4.70 billion dollars. These loans consist of both fixed and variable rate loans through a public building authority or capital outlay note issues and other forms of debt issued by cities and counties, under applicable State statutes.

By working with a number of financial institutions all across the State, including many local and regional banks, we are able to offer low interest rates and closing costs to cities and counties. To date our smallest loan was a \$4,500 capital outlay note issue with our largest being a \$68,650,000 loan through a PBA.

Upon the request of a city or county, TMBF can assist in obtaining either variable rate or fixed rate financing for a term of up to 25 years to finance public works projects by means of a loan from a public building authority, which is permitted under state statutes as an alternative to going to market with a municipal advisor, typically at a lower cost to the city or county.

Basically any type of public works project which is eligible for financing under State statutes is eligible for one of our programs. Usually the debt is tax-exempt; however, in some cases the debt could be taxable due to the nature of the projects being financed.

In all of our programs, the debt is general obligation debt of the city or county, but can be additionally payable from revenues of a utility system, if applicable.

In order to help cities and counties with financing for smaller amounts and shorter terms, TMBF offers an alternative loan program for notes issued under applicable State statutes. In this program, at the request of the city or county, TMBF requests rates from its network of banks and submits the lowest rate received to the city or county for its consideration, with the only cost of issuance being for bond/tax counsel.

TMBF has an experienced staff with many years of service to cities and counties. Should a city or county decide to proceed with a loan through one of our programs, a team of professionals, including bond/tax counsel, works with the city or county to provide all necessary documents and assist in obtaining the necessary approvals, and then takes care of all necessary filings with the IRS and the Comptroller's office.

Our process is usually much simpler and less time consuming than other traditional financing sources. By working with your own organization, you are assured of a level of commitment and expertise unmatched by the private sector. Our only purpose in existing is to help cities and counties obtain the lowest rates and costs for their financings.

If you would like to know more about our programs, please contact us at 615-255-1561. We are here to answer your questions and to see if we can assist with your financing needs in one of our programs.

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