



860 BLUE GENTIAN ROAD, SUITE 145, EAGAN, MN 55121

Phone: 651.296.4690 Fax: 651.297.5751

The Minnesota Higher Education Facilities Authority (the “Authority”) has for over 50 years successfully provided capital project financing for Minnesota nonprofit higher education institutions.

The Authority has received requests from multiple nonprofit Healthcare and nonprofit Senior Living entities to assist them with financing.

The proposed legislation amends MN Stat. Sec. 136A.25 - 136A.46 to allow the Authority to finance nonprofit healthcare and senior living capital financing in addition to financing nonprofit higher education capital projects. The amendment is supported by current Authority borrowers.

**The amendment will have no adverse effect on the ability of Minnesota to issue bonds. The Authority receives no state funds, tax revenue or grants. The bonds issued by the Authority are not supported in any way, directly or indirectly, by the state of Minnesota.**

The legislation does not require that borrowers use the Authority for financing. The proposed legislation provides an additional financing option for nonprofit healthcare organizations.

The Authority must compete with other financing options and provide greater value to borrowers. It has successfully done that for Minnesota nonprofit higher education for over 50 years.

The benefits of adopting the bill to amend the Authority’s issuance authority to encompass nonprofit Healthcare and nonprofit Senior Living entities includes the following:

- No revenues, pledge of support, or payment guaranty from the State of Minnesota
- Enhanced access to lower cost tax-exempt financing
  - Helps to keep project financing costs low
  - No cost to State of Minnesota taxpayers
  - Borrowers pay all financing costs and Authority operating costs
- Remove risks to local government as issuer
- Improve financial diversity of the Authority
- Provide additional value-added services for borrowers
  - Authority provides services at low cost

*The Authority is a full-service conduit bond financing authority that receives no State of Minnesota support. The state does not support or pledge any revenues to support Authority issued bonds. The Authority is completely funded by fees charged to borrowers.*