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The Minnesota Higher Education Facilities Authority (“Authority” or “MHEFA”) is requesting legislative authority to expand its issuance capacity to \$4 billion and add the ability to assist healthcare facilities finance capital projects.

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

The Authority has previously received requests from a number of nonprofit healthcare and senior living organizations about the possibility of the Authority assisting in financing their capital projects. These include Essentia Health Systems, Hazelden Betty Ford Foundation, Walker Methodist

The Authority works only with not-for-profit entities. We do not work with any private entities or any public-private hybrid entities.

The benefits of expanding MHEFA’s conduit issuing authority are :

- Provide expanded, low cost, capital finance options for nonprofit:
 - Healthcare entities, and Senior living organizations
- Enhance access to tax-exempt financing
 - No cost to State of Minnesota taxpayers
 - No direct or indirect pledge of any State funds or guarantees
 - Help keep project financing costs low by using tax-exempt rates
 - Borrower fees pay all Authority operating costs
- Remove risks associated with local government as issuer
 - Enhances local economic development efforts
 - Allows local government to leverage their bond capacity
- 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.

The bonds issued by the Authority for borrowers are not legal or moral obligations of the State of Minnesota or the Authority, nor do they constitute a debt for which the faith and credit of the Authority or the State, or the taxing powers of the State, are pledged. The Authority has no taxing powers.