

# Loan Program Guidelines

## UNIVERSITIES & AFFILIATED COLLEGES

### ELIGIBLE APPLICANTS

The following Ontario universities and federated and affiliated colleges are eligible to apply for a loan from Infrastructure Ontario:

Algoma University College	McMaster Divinity College	University of Guelph
Assumption University	McMaster University	University of Guelph – Kemptville Campus
Brescia University College	Nipissing University	University of Guelph – Ridgetown Campus
Brock University	Northern Ontario School of Medicine	University of Ontario Institute of Technology
Canterbury College	Ontario College of Art and Design	University of Ottawa
Carleton University	Queen's Theological College	University of St. Michael's College
Concordia Lutheran Theological Seminary	Queen's University at Kingston	University of Sudbury
Conrad Grebal University College	Regis College	University of Toronto
Emmanuel College	Renison College	University of Trinity College
Holy Redeemer College	Ryerson University	University of Waterloo
Huntington University	Saint Paul's University	University of Western Ontario
Huron University College	St. Augustine's Seminary	University of Windsor
Iona College	St. Jerome's University	Victoria University
King's University College	St. Paul's United College	Waterloo Lutheran Seminary
Knox College	St. Peter's Seminary	Wilfrid Laurier University
Lakehead University	Thorneloe University	Wycliffe College
Laurentian University of Sudbury	Trent University	York University
Le Collège universitaire de Hearst	Université de Guelph – Campus d'Alfred	

# Loan Program Guidelines

## ELIGIBLE PROJECTS

Infrastructure Ontario's Loan Program provides affordable long-term financing for all capital expenditures. Financing is not available for working capital needs.

Universities and federated and affiliated colleges can also borrow to refinance capital projects undertaken between January 1, 2002 and December 31, 2003.

## TYPES OF FINANCING

### *Long-Term Financing*

Infrastructure Ontario will purchase a debenture from the client for up to the approved amount of the loan as per the Financing Agreement on an agreed upon date. Principal and interest payments are payable bi-annually with the first payment due six months after the date of purchase. The interest rate is fixed for the entire term of the loan. Debentures close on the 1<sup>st</sup> and 15<sup>th</sup> of every month and the debenture process takes approximately 6-8 weeks to complete.

Infrastructure Ontario offers both amortizing and serial debentures to clients. With amortizing debentures borrowers pay equal amounts of blended principal and interest every six months. Alternately, with serial debentures borrowers pay equal amounts of principal every six months and interest is calculated on the declining balance.

### *Short-Term or Construction Financing*

Short-term (construction) financing is available to clients during the construction period of an approved project based on incurred costs. Interest is calculated and payable monthly on the 1<sup>st</sup> day of each month based on the applicable short-term rates. Short-term advances are processed on the 1<sup>st</sup> and 15<sup>th</sup> of every month and Infrastructure Ontario requires five business days notice to process a payment.

NOTE: Proceeds of the loan are advanced after a Financing Agreement has been executed and expenditures have been incurred.

### *Default*

In the event that a borrower misses a scheduled payment, penalty interest will be charged on the amount outstanding. Infrastructure Ontario has the right, at its discretion, to terminate the Financing Agreement if a borrower remains in default of its obligations.

In addition, in the event of a default Infrastructure Ontario is authorized to request the Minister of Finance to intercept, on Infrastructure Ontario's behalf, certain amounts payable to the borrower by the Province.

## TERMS AND RATES

Clients may select repayment terms of 5 to 40 years; but in any event, the repayment period must not exceed the expected life of the capital asset. Amortizing (declining principal) or serial loan structures are preferred to bullet loans. Where bullet loans are requested, sinking fund for the eventual retirement of principal is required. The loan interest rate varies with the term of the loan (i.e., a 10 year loan term would have a different rate than a 40 year loan).

Interest rates are posted on Infrastructure Ontario's website and are updated frequently as we track the movement of our cost of borrowing in the capital markets. Loan applications are subject to pricing based on the borrower's market sector. All rates posted are indicative and rates for different loan structures and terms are available. [www.infrastructureontario.ca/en/loan/rates/index.asp](http://www.infrastructureontario.ca/en/loan/rates/index.asp)

Infrastructure Ontario reserves the right to withdraw applications if they become inactive for more than one year after the date of submission.

# Loan Program Guidelines

## APPLICATION PROCESS

Online application forms are available at Infrastructure Ontario's website under the "Loans and Services" tab. [www.infrastructureontario.ca/en/loan/loans\\_and\\_services/index.asp](http://www.infrastructureontario.ca/en/loan/loans_and_services/index.asp)

- Register for a username and password by contacting Infrastructure Ontario at 1-800-230-0937.
- Complete an online application form
- Submit application and all required supporting documents
- Legal and Credit review conducted by Infrastructure Ontario to assess the ability to repay the loan and ensure all legal documents have been properly prepared
- Draft Financing Agreement emailed for review and signature
- Financing Agreement finalized

## REGISTRATION

Register for a username and password by contacting Infrastructure Ontario at 1-800-230-0937. A user name and password will be e-mailed after Infrastructure Ontario has verified the registration information which can then be used to login and complete the online loan application.

All application forms and templates are available through the Infrastructure Ontario website.

## LEGAL AND CREDIT REVIEW

Once the application is complete and has been submitted, Infrastructure Ontario will undertake a legal and credit review. Infrastructure Ontario relies on data obtained from financial statements and other materials provided as part of the application process to complete the reviews.

A legal review is conducted to ensure that the borrower has the requisite authority to borrow from Infrastructure Ontario. Any pending, existing or threatening litigation that may impair the borrower's ability to meet its debt obligations is also reviewed.

A credit review assesses each borrower's ability to repay the loan.

Once the reviews are complete and approved, applicants will be notified.

## FINANCING AGREEMENT

After the Legal and Credit review have been completed a Financing Agreement will be drafted for review and execution by both parties.

After the Financing Agreement has been executed and expenditures have been incurred, a short-term advance may be requested. Or, if the project is substantially complete, clients may wish to begin the debenture process. Amounts taken as short-term advances are typically converted to a long-term debenture upon completion of the project.

## PROJECT MANAGEMENT REPORTING REQUIREMENTS

To help ensure the effective and efficient delivery of projects financed (in whole or in part) with funds from the Loan Program, Infrastructure Ontario has established reporting requirements for capital construction projects only. Loan clients are responsible for submitting project reports according to the Estimated Project Start Date as indicated in their online application and Financing Agreement.

More detailed Project Management Reporting Requirements may be found within the online application.

# Loan Program Guidelines



## CONTACT INFORMATION

If you have any questions regarding Infrastructure Ontario's Loan Program or would like clarification on guidelines or eligibility, please visit us online, or contact an Infrastructure Ontario representative any time.

Telephone (Toronto): 416-325-8176

Toll-free Telephone: 1-800-230-0937

Email: [loans@infrastructureontario.ca](mailto:loans@infrastructureontario.ca)

All Infrastructure Ontario application forms and templates are available at Infrastructure Ontario's website.