



Steps to a Loan: Municipal Corporations

The following is a summary of the typical steps required as part of Infrastructure Ontario's (IO) loan application process for Municipal Corporations including those that either distribute (LDC's) or generate electricity.

ELIGIBILITY



The following documents are required to confirm eligibility for the program:

- ▶ Documentation including Articles of Incorporation/Letters Patent – that demonstrates the corporation is wholly owned by a municipality, if applicable please also provide the Shareholders Declaration
- ▶ Ontario Energy Board license (if applicable)

UNDERWRITING REVIEW



IO's Underwriting Group uses the following information to assess the viability of project financing and long term-financing:

- ▶ Loan request details
- ▶ Financial information
- ▶ Management and governance
- ▶ Borrower business model
- ▶ Financial performance – information on the sources of revenue, expenses and future capital expenditures
- ▶ Project details (construction financing only)
- ▶ Regulatory approvals (construction financing only)
- ▶ Security and collateral information

A detailed list of requirements specific to your project(s) is available from your Regional Relationship Manager.

TERM SHEET



Upon completion of the financial analysis, a draft Term Sheet (TS) is prepared by IO's Underwriting Group and sent to you for review and acceptance. The TS will include proposed terms, conditions, security, financial covenants, conditions precedent and reporting requirements. Receipt of the signed TS will allow the Underwriter to proceed with recommendation to the Credit Review Group.

CREDIT REVIEW



IO's Credit Group reviews the analysis prepared by the Underwriter and presents it to IO's Credit Review Committee which meets regularly to assess and approve applications.

LEGAL REVIEW



IO's Legal Counsel reviews applicable resolutions and any litigation that may impair your ability to meet the debt obligations.

FINANCING AGREEMENT



When the application is approved and supporting application documents have been received in good order, a Financing Agreement (FA) is drafted and sent to you. The FA provides the terms and conditions of the agreement, the financing schedule, associated resolutions, and banking information. You must then review the FA, provide the necessary signatures, and return it to IO, at which point it is considered to be fully executed. Copies of the FA and all applicable documents are forwarded to you.

FUNDS ADVANCED



When the agreement has been fully executed and all conditions precedent have been met, you may request short or long-term financing according to the terms of the FA.

IO advances funds on the 1st and 15th of the month (or the next business day if the flow date is not a business day). In certain circumstances funds may be required immediately; IO will make all efforts to accommodate requests for advances between flow dates.

CONSTRUCTION REPORTING



If applicable, you may be required to submit project management and/or project monitor reports for capital construction projects as detailed in the Financing Agreement.

