



LEASE PURCHASE AT-A-GLANCE

Program Description	Lease Purchase Financing is a cost-effective and tax-exempt alternative for financing capital equipment and technology purchases. The Bond Bank does not lend money directly, but provides a fast and convenient service to governmental entities by conducting the competitive bid process on their behalf. The Bond Bank forwards the lease information to a list of bidders and then presents the submitted bids to the governmental entity for consideration.
Eligible Borrowers	Towns, cities, counties, school systems, water & sewer districts, and other governmental entities.
Eligible Projects	Examples of eligible projects include but are not limited to: <ul style="list-style-type: none"> ● Public safety and works vehicles ● Portable classrooms ● Computer equipment ● School buses ● Telecommunications equipment ● Energy conservation equipment and renovation projects
Application Deadline	Applications are accepted continuously during the year.
Interest Rates	Subject to current market conditions. Please visit the Bond Bank's website at www.mmbb.com for recent interest rates.
Minimum/Maximum Loan Amount	None
Competitive Bidding Process	The Bond Bank will seek bids from two or more financial institutions for financing based on principal and interest, rate, term, etc., not the price of the product. The submitted bids are then presented to the governmental entity. The bidding process can be coordinated around the governing body's meeting, so that a bid may be authorized/accepted by the governmental entity.
Issuance Costs & Fees	Local Counsel Fees MMBB Fee - 20 bp of the total borrowing (included in the interest rate)
Term	Between 2 and 10 years. In all cases the maximum loan term may not exceed the useful life of the financed asset.
Repayment Schedule	Flexible. Allows for a level debt or level principal payments on a repayment schedule (i.e. annual, semi annual, monthly payments, etc) that works best for the municipality.
Prepayment	There is no penalty for prepayment.
Receipt of Funds	Funds are wired to an account specified by the borrower on the day of closing, unless other arrangements are made.
Contact Information	Toni Reed, Program Officer tir@mmbb.com , (207) 622-9386, 1-800-821-1113