

# Credit Review Process

- 1 Applicants initially contact Bond Bank staff to discuss project parameters and potential to fund with bonds. Staff review potential loans to determine if the Bond Bank is legally allowed to lend for the project, if there are lower cost options available for the borrower, and if the project has the financial and legal structure required for the proposed financing
- 2 Financial advisor prepares an analysis of each potential borrower based on application, proposed financing structure, borrower financial statements, and issuer's financial trends
- 3 Bond Counsel reviews projects to ensure compliance with the Bond Bank's framework and legal structure viability
- 4 Board Consideration Loan review may result in Bond Bank Board approval, approval with modifications, or no action pending further analysis
- 5 Underwriting bank and their counsel must review the Bond Bank financing and underlying loan legal and financial viability per SEC and MSRB guidelines
- 6 National credit rating agencies Moody's Investors Service and Standard & Poor's Global Ratings review the financing for legal and financial viability of the issuance and the broader Bond Bank and assign a credit rating to the bonds
- 7 Investors, large institutional investors in particular, conduct their own due diligence on the underlying loans legal and financial viability as well as the overall Bond Bank program



# Flow of Funds Diagram

