

MBFC CONDUIT BOND ISSUANCE PROCEDURES

1. **Inducement** - The Mississippi Business Finance Corporation (MBFC) Board has regular meetings typically on the second Wednesday of each month. A fact sheet must be completed and returned to the MBFC staff at least two business days prior to the board meeting. All inducements will be subject to the subsequent acceptance by MBFC of an application or term sheet and is valid for 18 months from the inducement date.
2. **Application Process (tax-exempt issues)** - As published in MBFC's guidelines, a fully completed application must be returned to the MBFC staff with credit enhancement and underwriting commitments when the company is ready to proceed. A full application is not required for tax-exempt "GO-Zone" Bonds.
3. **Term Sheet (taxable issues)** - A term sheet indicating the bond structure, schedule, distribution list, and schedule of estimated fees and expenses must be submitted to MBFC when the company is ready to proceed. This schedule must meet MBFC's regular meeting dates unless prior written approval is received from MBFC's Executive Director.
4. **TEFRA Hearings** - All TEFRA hearings are typically scheduled for a Monday morning at 9:00 a.m. in the office of MBFC or at a time designated by the Executive Director.
5. **Certificates of Public Convenience and Necessity** - Certificates of Public Convenience and Necessity must be obtained from the Mississippi Development Authority (MDA). Meetings to consider these certificates are normally held on the second Thursday of each month.
6. **Tax-Exempt Allocation** - Applications for tax-exempt bond allocation, including "GO Zone" allocations, must be received by MDA. All "GO Zone" allocation requests are submitted to the Governor by MDA for final approval. Meetings to consider requests for allocation are held bi-monthly.
7. **Ratings** - Unless agreed to in writing prior to inducements, MBFC will issue no bonds that will not be rated investment grade or better, or be secured by credit enhancement acceptable to MBFC.
8. **Documents** - MBFC's Executive Director, Issuer's Counsel, and/or Financial Advisor must be placed on each distribution list and must receive drafts of all financing documents.
9. **Bond Closing and Cost of Issuance** - Bond Counsel will submit to MBFC one week prior to closing a list of all costs of issuance including, but not limited to: bond counsel fees and expenses, underwriters' fees and expenses, printing, rating agency fees, etc. At closing, each conduit borrower must provide MBFC or the Trustee with funds sufficient to cover all costs of issuance. MBFC or the Trustee will issue checks to pay all fees and expenses within one week after closing. Closings must be scheduled in coordination with the MBFC staff.
10. **Out of State Bond Counsel** - When the borrower selects an out of state bond counsel, MBFC will engage its issuer's counsel to ensure that all bond documents are in conformity with the Mississippi Code.
11. **Transcripts** - A bound closing transcript must be submitted to MBFC, its Legal Counsel, and its Financial Advisor no later than 60 days after closing.