

Tax-Exempt Financing

Financing Program through Marlin

The Tax-Exempt Financing Agreement is a tool for state and local governments to finance public improvements and capital equipment in a manner that meets the basic objective of debt (spreading the cost of financing over the life of an asset) while not violating constitutional or statutory limitations of the issuance of public debt.

Financing Features:

- 100% of the cost of the asset/project can be financed
- Most agreements include a **non-appropriation clause**
- The end-user can prepay their obligation at any time

Benefits of Tax-Exempt Financing Agreements

The Tax-Exempt Financing Agreement offers several advantages over traditional financing methods:

- Tax-exempt financing obligations are not considered debt, but a current expense and does not impact the municipality's available debt limitations.
- A voter referendum is not required to enter into a tax-exempt contract.
- The payment is fixed at initial acceptance and held throughout the term.
- Simple documentation that does not require lengthy trust indentures or extensive use of outside counsel.
- The agreement enables a government to spread the cost of equipment over multi-year periods.
- The agreement often is a suitable and economical method of financing for capital assets that are too expensive to fund from just one fiscal period but that have useful lives too short to justify the issuance of long-term bonds.
- Federal tax laws and regulations may make a financing acquisition of a capital asset more economical than alternative methods of capital financing.

To qualify for these Municipal Rates, you must be designated as tax-exempt under Section 103 of the Internal Revenue Code of 1986 as amended. Other terms, buyouts and customized structures are available.

TAX-EXEMPT FINANCING RATES

| AMOUNT | 24 MOS. | 36 MOS. | 48 MOS. | 60 MOS. | 72 MOS. |
|---------------------|---------|---------|---------|---------|---------|
| \$15,000 - \$49,999 | .04472 | .03091 | .02403 | .01991 | .01718 |
| \$50,000 - \$99,999 | .04431 | .03048 | .02359 | .01946 | .01672 |
| \$100,000 and Over | .04348 | .02964 | .02272 | .01857 | .01581 |

For more information on this program, please contact:

Brian Dover -

P: 888-479-9111 ext. 4368

F: 877-305-6756

E: bdover@marlincapitalsolutions.com

Jake Harrison

P: 888-479-9111 ext. 4232

F: 877-305-6756

E: jharrison@marlincapitalsolutions.com

Subject to credit approval. Documentation fee of up to \$125 required. Credit approval valid for 90 days. Rates valid through 12/30/21. Letters of Authority may be required for transactions under \$25,000. Opinion of Counsel required for transactions over \$100,000