

## LOAN DELIVERY PROCESS – MUNICIPAL INFRASTRUCTURE LENDING PROGRAM LOCAL GOVERNMENTS IN THE PROVINCE OF BRITISH COLUMBIA

### **Application Process:**

Step 1: An application would be made by local governments directly through CMHC's web-site. The application will include a Resolution that identifies the specific project to be funded and confirmation that the project design has been approved by the appropriate authorities having jurisdiction. A construction timeline identifying applicable milestones will also be required with the application.

Step 2: CMHC will inform BCMFA of the receipt of an application for funding.

Step 3: CMHC will review the application for program eligibility and applicability of CEAA and advise applicant and BCMFA.

Step 4: Concurrently, if not previously done, the local government will seek approval of their Loan Authorization Bylaw and the Regional District's Security Issuing Bylaw as required for all borrowings by the local government through BCMFA.

Step 5: If CEAA is triggered, CMHC will work with the local government to address CEAA requirements. CMHC will advise BCMFA as to the progress but will not otherwise require the participation or assistance from BCMFA.

Step 6: If CEAA and other program requirements met, CMHC will provide the local government a Loan Commitment Letter which they will be required to sign and send to BCMFA. BCMFA will then sign the Loan Commitment Letter and forward on to CMHC.

### **1. Funding Process:**

Step 1: The local government will confirm to CMHC the construction start date, which may not be before January 27, 2009 but which must occur no later than 3 months following the date of the Loan Commitment Letter. This will be required by CMHC in the event that a cancellation and reallocation of loan funds becomes necessary.

Step 2: BCMFA will advise regarding the preferred advance date. The loan advance will be at CMHC's discretion (upon request by BCMFA) but not later than March 31, 2011 and not before construction work has commenced.

Step 3: CMHC will contact local government to confirm construction has or will be started as of the loan advance date. Local governments for which construction has not yet started will be removed from the upcoming funding and will be added to a later funding date. CMHC will advise BCMFA where this occurs.

Step 4: BCMFA will be advised of the loan advance date, and the confirmed projects included in that loan advance. Prior to making the loan advance, CMHC will receive from BCMFA the following documents.

- an executed loan agreement which will be between CMHC and BCMFA.

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- a one-time legal opinion from BCMFA that BCMFA has the authority to enter into a borrowing arrangement with CMHC on behalf of BC municipalities and that BCMFA satisfies itself that the local government undertaking the projects have obtained the necessary borrowing authorities in advance of entering into borrowing arrangements (will be evidenced by Ministerial approval of bylaws).

Step 5: CMHC will enter into the loan agreement with BCMFA.

Step 6: BCMFA will put in place the loan documentation it requires with local government.

Step 7: BCMFA collects loan payments (principal and interest) from its regional districts that would in turn collect from its member municipalities.

Step 8: BCMFA makes the loan payments (principal and interest) directly to CMHC.