



# Steps to a Loan: Municipalities

The following is a summary of the typical steps required as part of Infrastructure Ontario's (IO) loan application process for Municipalities.

## REGISTER



All loan applicants must complete our online Webloans application. If you have not previously applied for an IO loan you may request a username and password by contacting us at 1-800-230-0937.

The online application contains information regarding your municipality, project(s), project financing, related capital expense(s) and borrowing requirements. When completed, your application may be submitted and supporting documents forwarded to IO.

## DOCUMENTATION



The following documents are required:

- ▶ By-law authorizing project borrowing using the IO template (will be provided)
- ▶ Loan Application Signature Page – provided when the application is submitted
- ▶ Certificate of Treasurer Regarding Litigation using the IO template (will be provided)
- ▶ Most recent audited Financial Statement (FS)

## UNDERWRITING REVIEW



IO's Underwriting Group uses the information contained in the current or most recent municipal Financial Information Return (FIR) together with the audited FS to analyze a municipality's ability to service the loan.

During the year the financial information may need to be updated, or additional information may be required, to provide an accurate assessment of the application.

The following table provides a guide to the information that may be required:

Application Date	Information Required
▶ January 1st to June 30th, 2019	The most recent FIR and audited FS is required (or the previous year FIR and FS if 2018 is not available). 2018 and 2019 (if available) Capital Budget.
▶ July 1st to September 30th, 2019	2018 FIR and audited FS. Additional information including 2018 audited financials may be required if 2018 FIR is not available. 2018 and 2019 Capital Budget.
▶ October 1st to December 31st, 2019	2018 and audited FS is required. 2018 and 2019 Capital Budget.

#### CREDIT REVIEW



IO's Credit Group reviews the analysis prepared by the Underwriter and presents it to IO's Credit Review Committee (CRC) which meets regularly to assess and approve applications.

#### LEGAL REVIEW



IO's Legal Counsel reviews applicable by-laws and any litigation that may impair your ability to meet debt obligations.

#### FINANCING AGREEMENT



When the application is approved and supporting application documents have been received in good order, a Financing Agreement (FA) is drafted and sent to you. The FA provides the terms and conditions of the agreement, the Financing Schedule, associated by-laws, and banking information. You must then review the FA, provide the necessary signatures, and return it to IO.

#### FINANCING AGREEMENT EXECUTION



IO then reviews and signs the FA, at which point it is considered to be fully executed. Copies of the FA and all applicable documents are forwarded to you.

#### FUNDS ADVANCED



When the agreement has been fully executed and all conditions precedent have been met, you may request short or long-term financing according to the terms of the FA.

IO advances funds on the 1st and 15th of the month (or the next business day if the flow date is not a business day). In certain circumstances funds may be required immediately; IO will make all efforts to accommodate requests for advances between flow dates.

