



Frequently Asked Questions about the LOCAL Program

Who can participate in the LOCAL Program?

Any municipal corporation or other agency authorized to issue general obligation debt. This includes cities, counties, school districts, fire districts and others.

Do we need voter approval?

No, but with voter-approved debt, you typically don't need to complete a credit form.

Does this take the place of my agency issuing bonds?

It could. You might find the LOCAL program financing is all you need. Or you might find it's appropriate for just some of your needs. For example, you may need a piece of equipment immediately, but the main object of your bond issue will not be ready for financing until quite a bit later. In that case you might use the LOCAL program only for that first piece of equipment.

What can be financed?

Either equipment or real estate. Some examples include: school buses, ambulances, construction projects, fire trucks, HVAC systems, computers, office furniture, copiers, vacant land, portable classrooms and energy projects.

There is a \$10,000 minimum for equipment, but various items can be combined to meet the minimum, for example, computer equipment and computer furniture. Software cannot be financed alone – it must be combined with hardware. Contact our office for more information.

Real estate financing is available for land and/or buildings and can be used for acquisitions, construction projects or to refinance an existing loan.

What's the timeline?

Funds Available	Project Type	NOI Cut-Off	All Documents In Cut-Off	First Payment Due
Mid-March	Equipment	February 1	February 1	June 1 year of issue
	Real Estate	January 1		
Mid-June	Equipment	May 1	May 1	December 1, year of issue
	Real Estate	April 1		
Mid-September	Equipment	August 1	August 1	December 1, year of issue
	Real Estate	July 1		
Mid-December	Equipment	November 1	November 1	June 1, following year
	Real Estate	October 1		

Is there a fee to participate?

All costs of issuance are included in the interest rate.

Where do I find out what the current interest rate is?

You can check our web site at www.tre.wa.gov (click on LOCAL tab) to find out what the previous issues' interest rates were. But each issue is different – the interest rate is set by the lowest bid we receive on the day the financing issue goes to market. In that way, you're assured of getting the lowest interest rate on that day.



Frequently Asked Questions about the LOCAL Program

How long are the financing terms?

Maximum equipment financing terms are set by the useful life of the item. See the Office of Financial Management web site for its Useful Life Table (www.ofm.wa.gov/policy/30.50.htm). If several types of equipment have been combined to meet the \$10,000 minimum, the shortest useful life will determine the maximum financing term.

How are funds released?

Equipment payments can go directly to vendor or to agency as reimbursement according to what best fits your needs and schedule.

I just bought some equipment. Can I finance it through the LOCAL Program?

Possibly. You must pass a Reimbursement Resolution either before purchasing equipment or no later than 60 days after purchasing equipment. Please call Noah Crocker, Lease-Purchase Specialist, 360-902-9020, to discuss your situation.

If I send in my Notice of Intent (application form) does that obligate me to participate?

No. After you submit a Notice of Intent, you will be contacted a few weeks before the cut-off date to see if you wish to participate in the upcoming financing issue. If you indicate you want to participate in that financing issue, you must commit to a specific dollar amount by the cut-off date.

I only know the approximate amount I will need to finance. What should I put on the Notice of Intent?

Indicate the most you anticipate financing on the Notice of Intent – you can always finance less. As mentioned above, you must commit to a specific dollar amount by the cut-off date for your financing issue.

Can we prepay our lease?

It is not encouraged, but if it is necessary it is accomplished by doing a partial defeasance of the pooled COPs. Prepays are subject to the costs of buying the required investments to make the lease payments and to the trustee fees paid to manage those investments.

Where can I get more information?

You have a couple of options:

- Visit our web site: www.tre.wa.gov (click on LOCAL tab). You'll find a booklet explaining the program and the forms you'll need.
- Contact us:

Michael J. Murphy
State Treasurer

Richard A. Patrick
Deputy State Treasurer

Pam Johnson
LOCAL Program Representative
360-902-9021
pam@tre.wa.gov

Noah Crocker
LOCAL Real Estate Representative
360-902-9020
noah@tre.wa.gov

Wendy Kancianich
LOCAL Equipment Representative
360-902-9022
wendyk@tre.wa.gov

Nancy Notter
LOCAL Accountant
360-902-9026
nancyn@tre.wa.gov