



September 17, 2019

To: Municipal Finance Officers & Corporate Administrators
Regional District Finance Officers & Corporate Administrators
Regional Hospital District Finance Officers & Corporate Administrators

Re: Spring 2020 Long-Term Debt Issue Information & Upcoming Actuarial Rate Adjustment

The Municipal Finance Authority (MFA) will hold its Annual General Meeting on **March 26, 2020**. As borrowing requests for the Spring 2020 long-term debt issue will be reviewed at this meeting, all regional districts must submit applications for Certificate(s) of Approval (C of A) on Security Issuing (SI) bylaws, to the Ministry of Municipal Affairs and Housing (Ministry), by **February 14, 2020**.

Municipalities

For a municipality to participate in the issue, it must apply to its Regional District by way of a [Municipal Security Issuing Resolution \(MSIR\)](#). Please check your Regional District's internal meeting and notification cut-off dates, as they must have sufficient lead time, to make the February 14 deadline.

Please note that once all paperwork is received, your request **will** be included in the next upcoming issue. If you no longer need a request to be funded, **you must notify the MFA and your Regional District prior to the February 14 deadline, or the request will be funded.**

Regional Districts

To enable us to effectively manage borrowing needs and to ensure that no requests are overlooked, we request regional district staff to advise us of any potential long-term borrowing requests, as far in advance as possible. Please notify us by email: finance@mfa.bc.ca. To confirm a borrowing request, please email a copy of all adopted SI bylaws and any MSIR's (if borrowing on behalf of a member municipality), to finance@mfa.bc.ca.

There are two templates for SI bylaws available on our website, one for [own purpose RD borrowing](#) and one for [borrowing on behalf of a member municipality](#), should you require them. Please note that you do not need to send copies of Loan Authorization bylaws or C of A's, as they are sent to us directly, by the Ministry.

As noted, the deadline to apply to the Ministry for a C of A on SI bylaws is **February 14**. Please remember that there is a 10-day quashing period, after adoption of SI bylaws, before you can apply for a C of A (see S. 425 of the *Local Government Act*). Please refer to S. 25(4) of the *Interpretation Act*, for guidance on calculating time (i.e. count 12 days from date of adoption before applying for a C of A).

Please note that once we receive your C of A and SI bylaw from the Ministry, your request **will** be included in the next upcoming issue. If you no longer need a request to be funded, **you must notify the MFA prior to the February 14 deadline, or the request will be funded.**

Greater Vancouver Sewerage & Drainage District/Greater Vancouver Water District

The deadline for requesting long-term debt is **February 21**. Please email a signed letter of direction to: finance@mfa.bc.ca.

Regional Hospital Districts

The deadline for requesting long-term debt for Regional Hospital Districts is **February 21**. Please email a certified copy of your Capital Borrowing bylaw, completed [RHD Liability Certificate](#), and completed [Request for Long-Term Financing](#) form, to finance@mfa.bc.ca, for each request.

Important Notice to All Clients

Please note that beginning with the Spring 2020 long-term debt issue, the actuarial rate for new loans **will be reduced from 3.0% to 2.5%**. Given prevailing low yields and current market conditions, this reduction is necessary to maintain budgeted projections. The [Long Term Debt Amortization Schedules](#) on our website have been updated, to reflect this change.

There may be additional adjustments to the actuarial rates of existing loans, when they are refinanced. If reductions are required, we will provide you with as much advanced notice as possible. Please ensure that you read notices posted in our secure Client Access site on a regular basis.

As a reminder, we no longer intend to offer loan terms that are not in increments of five years. Loans with odd terms (e.g. 7 years/12 years etc.) are very rarely requested, cause a mismatch in loans versus debt (as we only offer five and ten year bonds) and overly complicate the management of the sinking funds. Please keep this change in mind when selecting borrowing terms for your bylaws.

If you have any questions or concerns regarding long-term borrowing procedures, security issuing notification requirements, or the amortization schedules, please contact me directly, at: lauren@mfa.bc.ca or 250.419.4772.

Thank you,



Lauren Kerr
Credit & Compliance Officer

Security Issuing Procedures

