

**MISSOURI HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY (MoHEFA)**

HELP!

HEALTH AND EDUCATIONAL LOAN PROGRAM

Revised April 1, 2022

**LOW INTEREST RATE LOANS
FOR MISSOURI'S
SMALL HEALTH AND
EDUCATIONAL PROVIDERS**

Program Guidelines and Application Materials

MISSOURI HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY
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www.mohefa.org

Program Objective

The Missouri Health and Educational Facilities Authority (the Authority) recognizes the difficulty that small providers of health and educational services experience obtaining adequate financing for their capital needs. Therefore, the Authority created the **HELP!** Program to provide these organizations access to low cost loans. The Authority, through **HELP!**, uses funds generated through various programs to extend much needed low cost financing to Missouri's small health and educational providers.

PLEASE NOTE: The funds available for this Program are limited and are allocated on a "first come" basis.

Eligibility

General Requirements:

- For health facilities financings, the institution must have fewer than 100 beds, and cannot be owned by, or otherwise supported by, the financial backing of a system or hospital with more than 100 beds.
- For educational facilities financings, the institution must have fewer than 2,000 students enrolled.
- Must be a health or educational facility as defined in the Authority's Statute.
- Must have been in existence for at least three years performing the same types of services.
- Must demonstrate, to the satisfaction of the Authority and its Financial Advisor, evidence of fiscal soundness and the ability to meet the terms of the proposed loan.
- For construction and remodeling projects, must demonstrate readiness to begin or complete projects shortly after funding.

Additional Considerations

In addition to the General Requirements, consideration may be given to those projects which leverage funds from other sources, demonstrate strong community support or fill a pressing community need.

Uses of Funds

Funds may be used to:

- Perform feasibility studies, site tests, and surveys.
- Pay for permits, architectural, and other pre-construction costs.
- Purchase, construct or remodel facilities.
- Acquire land.
- Reimburse qualified expenditures which are part of an on-going project or for projects completed not more than 180 days prior to loan application date unless otherwise agreed to by the Authority.
- Purchase equipment.

Funds may not be used for:

- Day-to-day operating expenses (working capital).
- Funding start-up organizations.
- Refinancing existing debt.

Loan Information

Terms:

- Fixed interest rate of 2.39%.
- Maximum individual loan size is \$500,000 without additional Authority approval.
- In certain cases collateral may be required.
- Level monthly payments.
- No prepayment penalties.
- Maximum term of the loan is 10 years.

Standard Covenants

Borrowers receiving loans must:

- Submit year-end audited financial statements.
- Maintain adequate property and business insurance.
- Notify the Authority of any significant changes in corporate existence prior to the occurrence (i.e., mergers, consolidations, structure or name changes)
- Maintain nonprofit or governmental status.
- Maintain the financed project as a health or educational facility during the life of the HELP loan.

Fees and Charges

- For approved loans, there is a one-time fee payable at closing equal to one-half of one percent (.5%) of the loan amount. This one-time fee is used to defray loan administration and closing costs and can be financed as part of the project.
- There are no ongoing fees of the program. However, loan payments more than 30 days late will be assessed a five percent (5%) penalty on the amount due. In addition, payments more than 60 days late may, at the option of the Authority, cause acceleration of the remaining loan balance.

Health and Educational Facilities Defined

To be eligible for financing, an applicant and the project must qualify as a health or educational facility under the Authority's enabling legislation - Chapter 360 of the Missouri Statutes.

Applying for a Loan

The Authority welcomes your application and wishes you success in your financing endeavors. The Authority staff will be pleased to answer any questions you have or to provide technical assistance in preparing the application. A pre-application discussion with Authority staff is recommended to ensure that the borrower and project qualify for financing. Please contact us by phone at (636) 519-0700 or by email at mstanard@mohefa.org.

General Information:

Applications will be accepted at any time, loans will be made as funds are available. The Authority may schedule a site visit to evaluate the project and the borrower's operations.

Final approval is required by the Authority Board at a regularly scheduled monthly meeting.

Submit the application electronically to:

mstanard@mohefa.org

Or forward the application by mail to:

**Michael J. Stanard
Executive Director
Missouri Health & Educational Facilities Authority
15450 South Outer Forty Road
Suite 230
Chesterfield, Missouri 63017**

HELP! APPLICATION FORM

I. Summary Information:

Borrower Name: _____

Borrower Address: _____

Address of Project
(if different from borrower): _____

Contact Person: _____ Title: _____

Phone: _____ Fax: _____

E-Mail: _____

Requested Loan Amount (max. \$500,000): _____

[Authority Use Only]

Date Received: _____

Authority Meeting Date: _____

II. General Eligibility:

YES

NO

A. Is borrower considered an eligible health or educational facility pursuant to the General Requirements listed on page two of the Information Material and pursuant to the Authority's Statute? _____

State type of eligible facility: _____

B. Has the borrower been in existence for at least three years performing the same type of services? _____

C. If construction or remodeling is part of the project, is work ready to begin (or already begun) upon funding? (i.e., construction contract executed and building permit obtained) _____

*If answer to C is no, please provide brief status report below:

D. If the answer to C is no, will a portion of the loan funds be used to pay for studies or other necessary pre-construction costs? _____

E. Are your services available to all who reside and work in your service area? _____

III. Background Information: (Use additional pages or attach information as necessary)

A. Describe your organization's mission and history. What programs do you provide? How long have you been providing them?

IV. Explanation of the Project: (Use additional pages or attach information as necessary)

A. Describe the project (i.e. building, equipment, acquisition, land or other capital projects, etc.) for which funds are requested.

V. Sources and Uses of Funds:

A. Sources of Funds:

<i>HELP!</i> Loan	\$ _____
Borrower funds	\$ _____
Other (describe)	_____
_____	\$ _____
_____	\$ _____
Total Sources:	\$ _____

B. Uses of Funds:

Construction or pre-construction cost	\$ _____
Acquisition of real property	\$ _____
Equipment	\$ _____
Authority closing fee (.5% of loan amount)	\$ _____
Other (describe)	_____
_____	\$ _____
_____	\$ _____
Total Uses:	\$ _____

VI. Supplemental Materials:

1. Corporate Status:

- A. Provide a copy of the operating license(s) of the facility(s) to receive financing.
- B. Provide copies of your corporation's certified Articles of Incorporation and Bylaws and any changes since the initial filings.
- C. Provide a copy of the most recent accreditation letter, if applicable.

2. Financial Information:

- A. Provide copies of audited financial statements for the three most recent fiscal years, and the most recent unaudited interim statements.
- B. Provide current operating budget, including utilization (health) or enrollment (education) statistics for the past three years.
- C. Discuss any significant year-to-year changes in net income, assets and liabilities.

D. Provide a copy of Board Minutes or resolution approving the application for a loan for this project.

3. Management Information:

A. Provide a list of the names, terms, and occupations of your corporation's Board of Directors.

4. Other Information:

A. State whether there exists any suit or proceeding, pending or threatened, which might adversely affect your ability to operate or to repay the loan. Use additional pages and attach supporting documentation if necessary.

B. Note any delinquent tax obligations and if all tax returns have been filed. Use additional pages and attach supporting documentation if necessary.

5. Certification:

Please have the following certification completed by the Executive Director, CEO, President, Chair of the Board or other individual with the authority to commit the organization to a contract.

I certify that to the best of my knowledge the information contained in this application and the accompanying supplemental materials is true and accurate.

Print Name

Signature

Title

Date