

MEMORANDUM

**Date:** May 12, 2010 Staff Summary No. 6  
**To:** Members, California School Finance Authority  
**From:** Katrina M. Johantgen, Executive Director  
**Re:** Resolution 10-12 Approving an Amendment to Conduit Bond Financing Fee Schedule

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At its February 10, 2010 meeting, members of the California School Finance Authority approved Resolution 10-05 – Approving a Conduit Bond Financing Fee Schedule. At this time, staff is recommending the following amendment to the schedule to ensure that advisory, consulting, legal, and other fees related to financing transactions can get reimbursed.

**California School Finance Authority**  
**Financing Fee Schedule**

The Authority has proposed fees that would apply to all participating parties for stand-alone or pooled financings. We have proposed a fee structure for short- and long-term financings. The Authority is proposing the following fees:

Application Fee: The application fee would be payable upon the submission of an application for financing through the Authority. The application fee will offset the cost of staff time reviewing the application and preparing a recommendation for board approval. This fee is nonrefundable.

Issuance Fee: This fee will be charged to a borrower based on the par amount of the debt issuance to offset the cost of staff time executing the financing. This fee will be paid out of bond proceeds at the time a financing is closed. The applicant also shall reimburse the Authority for all reasonable and necessary out of pocket expenses which the Authority may incur at the applicant's request and all other expenses direct or indirect, properly allocable to the proposed financing. Unless paid out of the proceeds of the bonds issued, all fees for a particular proposed financing shall be paid by the applicant and deposited in the Authority Fund.

Annual Administration Fee: The annual administration fee is charged annually to the borrower and paid to the Authority to offset the cost of monitoring the bond financing, including the filing of required disclosure documents.

California School Finance Authority

| <b>Note Financing</b>                 |                      |
|---------------------------------------|----------------------|
| <b>Fee</b>                            | <b>Amount</b>        |
| Application Fee                       | \$1,500              |
| Issuance Fee (new and refunding debt) | 0.075% of par amount |
| Annual Administration Fee             | Not Applicable       |

| <b>Bond Financing</b>                |                      |
|--------------------------------------|----------------------|
| <b>Fee</b>                           | <b>Amount</b>        |
| Application Fee                      | \$1,500              |
| Initial Fee (new and refunding debt) | 0.15% of par amount  |
| Annual Administration Fee            | 0.02%, minimum \$500 |

Staff recommends that the Board adopt Resolution No. 10-12 approving the above referenced amendment to the conduit bond financing fee schedule.