



How to apply for Midwestern Area Disaster Bonds

Will the proceeds of the bonds be used in a county declared a disaster area and used for the cost:

1. of a multifamily rental property for low and moderate income individuals, or
2. to acquire, repair, replace, or construct nonresidential real property, or
3. to repair or reconstruct public utility property

If you answered yes to any of these questions, you are likely eligible for MDA bonds.

1. Obtain an issuer and have an inducement resolution adopted
 - Tax-exempt bonds must be issued by a governmental entity. The Iowa Finance Authority is a statewide issuer of tax-exempt bonds. A city or county may also be able to issue these bonds.
 - To apply for IFA to be the issuer, fill out the Economic Development Loan application on our website. There is a \$100 application fee.
2. Anytime after an inducement resolution has been adopted, the application for Midwestern Disaster Area (MDA) bonds can be completed and sent to IFA
 - Allocations are granted on a first come, first served basis
 - An application fee of 2 basis points (\$200 per \$1,000,000) is due with the application
 - Once an allocation has been made, you have 150 days to close the bonds. If the bonds cannot be issued within that time frame, the allocation will be returned to be reallocated.
3. It is the responsibility of the borrower to put together the legal and financial team for the bond issue. Parties include:
 - Bond Counsel;
 - Bond purchaser -- bonds can either be sold through an underwriter or privately placed;
 - Trustee if bonds are not privately placed

Additional requirements include a public hearing, authorizing resolution and various documents created by the legal and finance team.

All potential applicants are encouraged to work with bond counsel early in the process to ensure compliance with tax-exempt bond requirements.

For more information, contact Lori Beary at 515-725-4965 or email at lori.beary@iowa.gov