

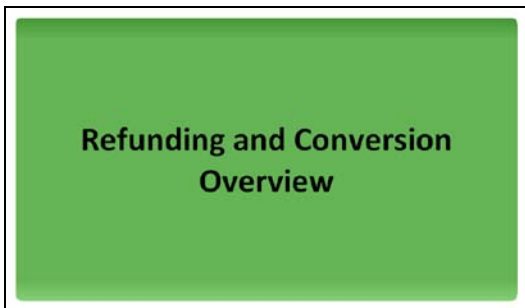


Slide 1

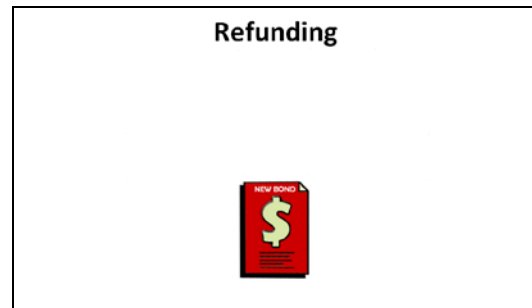


Slide 2

Welcome to Part 3 of the FSP Bond Programs IFA training module. In this part, you will learn about... The refunding and conversion process,... How to handle "new money",... and How to create refunding or conversion amendments.

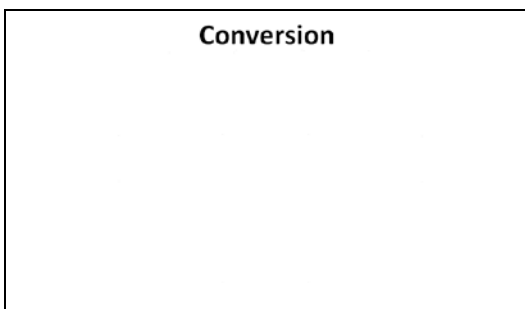


Slide 3



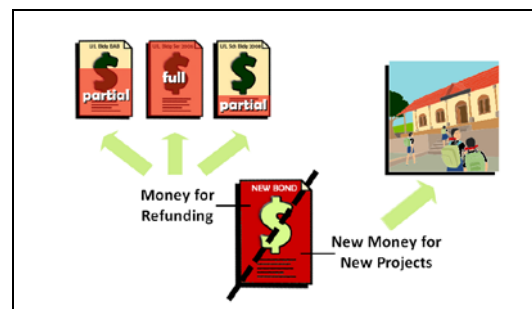
Slide 4

A refunding bond involves selling a new bond whose proceeds are used to pay off (or partially pay off) an existing bond or bonds.



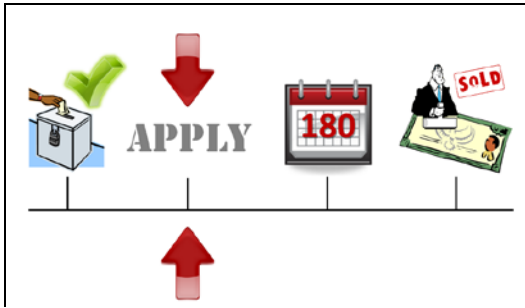
Slide 5

A conversion defeases one or more existing lease-purchases (LPs) and converts them to a general obligation (GO) bond.



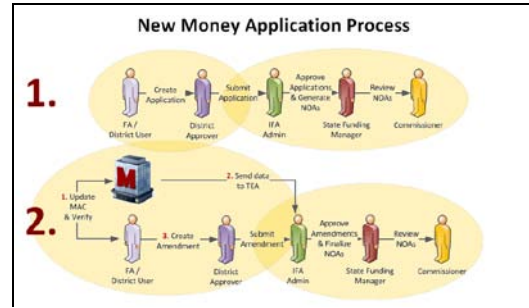
Slide 6

Refunding bonds may also include "new money." "New money" is the portion of a bond that is NOT being used to refund old debt but rather to finance new projects. While the refunding or conversion portions of a bond are covered through an amendment to the original bonds' applications, the new money requires a brand-new application that lists the new project details. When there is new money, submitting the application associated with it is the very first step in the entire refunding process.



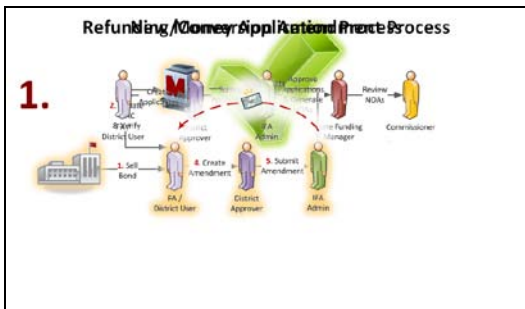
Slide 7

The new money application must be submitted to TEA after voter approval but before the 180-day IFA deadline and before the bond sells.... Please be aware that you must adhere to all of the rules for submitting a regular new money application.



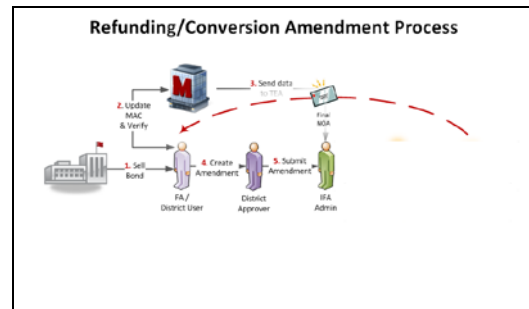
Slide 8

This new application is treated precisely the same way as any other new application. The district creates it, TEA approves it, the district sells the bond and updates MAC, then the district creates an amendment to their new application, and TEA approves it. The converting and refunding amendments undergo a similar--but separate--approval process.



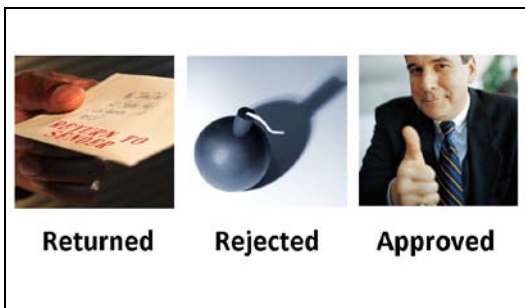
Slide 9

Once you have submitted an application for any new money associated with the bond, and have been approved,... you can begin the Refunding Amendment Process. First, sell the new bond. Then the district's FA sends the information about the sold bond to MAC. MAC automatically forwards the data to TEA, which sends a reminder to the district to create an amendment for the bond or bonds being refunded in the Bond Programs system. The FA creates the amendment and the approving superintendent submits it. At TEA, the IFA admin reviews the amendment for approval.



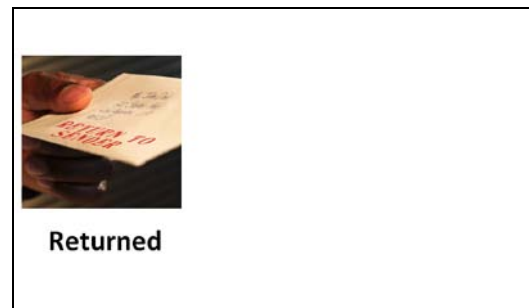
Slide 10

Refundings do not result in new NOAs, *BUT* a conversion that defeats multiple IFA-funded LPs *MAY* result in a change in the consolidated NOAs. If needed, an updated NOA will be approved and sent to the district by the TEA commissioner.



Slide 11

A refunding or conversion amendment can be returned,... rejected,... or approved.

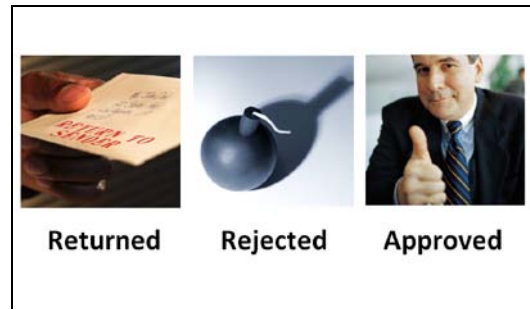


Slide 12

An amendment can be returned if there are errors in the form. The amendment cannot be accepted until the errors are addressed and the form is resubmitted.



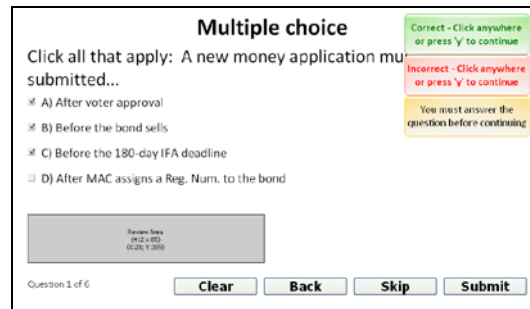
Slide 13
It would be rejected if the refunding has made the debt ineligible for IFA funds. If this happens, the original application is defeated, the amendment is permanently rejected, and IFA payments for that debt are discontinued.



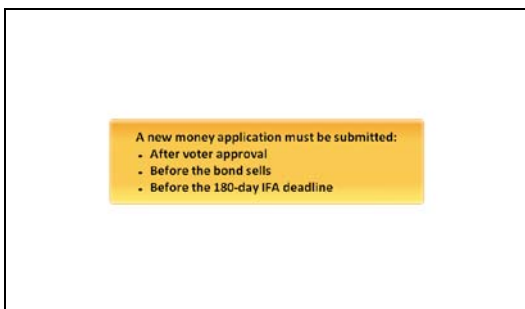
Slide 14
However, unless a refunding or conversion amendment does not adhere to IFA rules, it is usually approved, and the district's allocations will be calculated from that time forward based on the changes in the debt structure.



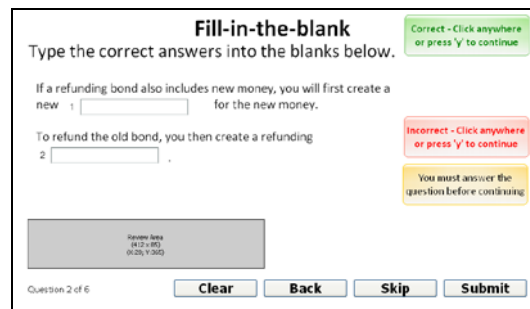
Slide 15
Note that the two parts of a refunding are approved separately: the refunding or conversion amendment could be approved while the new money is rejected,... or vice versa. In that case, TEA will only pay on the portion of the bond that it approved.



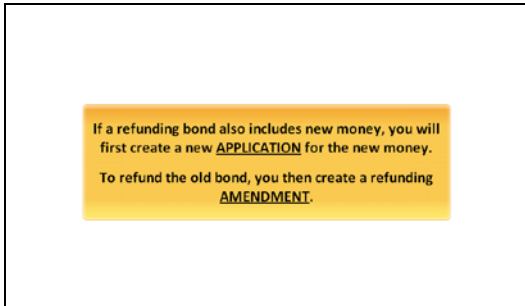
Slide 16
Click all that apply: A new money application must be submitted...



Slide 17
A new money application must be submitted:
After voter approval
Before the bond sells
Before the 180-day IFA deadline

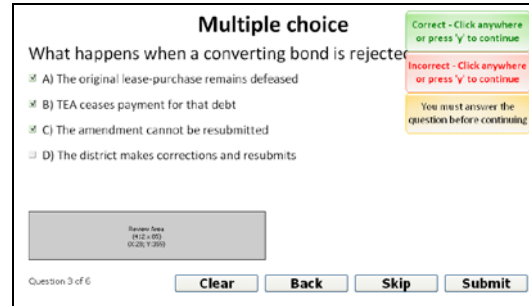


Slide 18
Type the correct answers into the blanks below. If a refunding bond also includes new money, you will first create a new *BLANK* for the new money. To refund the old bond, you then create a refunding *BLANK*.



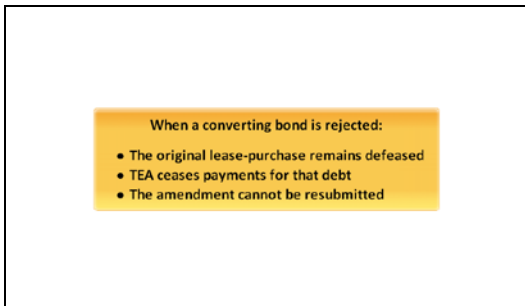
Slide 19

If a refunding bond also includes new money, you will first create a new APPLICATION for the new money.
To refund the old bond, you then create a refunding AMENDMENT.



Slide 20

What happens when a converting bond is rejected?



Slide 21

When a converting bond is rejected:
The original lease-purchase remains defeased
TEA ceases payments for that debt
The amendment cannot be resubmitted

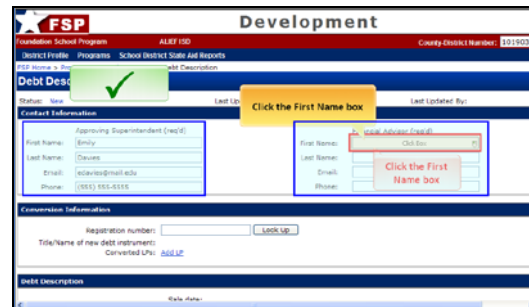


Slide 22



Slide 23

To create a refunding, select *Refund an IFA bond*; to convert a lease-purchase, select *Convert a lease-purchase to a bond*. From this point, the processes for conversions and refundings are nearly identical. REMEMBER: if the conversion or refunding includes new money, first submit an application for the new money and only create the conversion amendment once the application has been approved.



Slide 24

The form for a conversion opens. Correct the approving superintendent's contact information, if necessary, and enter the financial advisor's data.

The screenshot shows the 'Development' interface for the FSP Foundation School Program. The 'Registration number' field is empty, and the 'LOOK UP' button is visible next to it. The 'Debt Description' section is partially visible at the bottom.

Slide 25

The screenshot shows the 'Development' interface for the FSP Foundation School Program. The 'Registration number' field is empty, and the 'LOOK UP' button is visible next to it. The 'Debt Description' section is partially visible at the bottom.

Slide 26

The screenshot shows the 'Development' interface for the FSP Foundation School Program. The 'Registration number' field is empty, and the 'LOOK UP' button is visible next to it. The 'Debt Description' section is partially visible at the bottom.

Slide 27

The screenshot shows the 'Development' interface for the FSP Foundation School Program. The 'Registration number' field is empty, and the 'LOOK UP' button is visible next to it. The 'Debt Description' section is partially visible at the bottom.

Slide 28

The screenshot shows the 'Development' interface for the FSP Foundation School Program. The 'Registration number' field contains the value '06632'. A red box highlights this field with the text 'Click the Registration Number field'. A blue callout box with a lightbulb icon says 'You must have already sold this bond before you can complete this amendment.'

Slide 29

Enter the registration number of the bond that you sold to convert your lease purchase. Note that you must have already sold this bond before you can complete this amendment.

The screenshot shows the 'Development' interface for the FSP Foundation School Program. The 'Registration number' field contains the value '06632'. A red box highlights the 'LOOK UP' button with the text 'Click the Look Up button'. A magnifying glass icon is overlaid on the button.

Slide 30

Once you enter the number, you must click the *Look Up* button. You cannot submit until the system has matched the number you entered against its bond sales records. When you click *Look Up*, the debt service schedule and other details for that converting bond will appear in the *Debt Description* section at the bottom of this page.

Sequence

Drag and drop to put these steps of the conversion process in order.

A) Submit new money application to TEA
 B) Receive approval for new money application
 C) Sell conversion bond
 D) Send post-sale data to MAC
 E) Receive reminder to create amendment from TEA
 F) Submit conversion amendment to TEA

Review Area (112 x 93) (1462, 1070)

Question 4 of 6

Clear Back Skip Submit

Correct - Click anywhere or press 'Y' to continue
 Incorrect - Click anywhere or press 'Y' to continue

Slide 31
 Drag and drop to put these steps of the conversion process in order.

The correct order is:

- (1) Submit new money application to TEA
- (2) Receive approval for new money application
- (3) Sell conversion bond
- (4) Send post-sale data to MAC
- (5) Receive reminder to create amendment from TEA
- (6) Submit conversion amendment to TEA

Slide 32
 The correct order is:
 One, Submit new money application to TEA
 Two, Receive approval for new money application
 Three, Sell conversion bond
 Four, Send post-sale data to MAC
 Five, Receive reminder to create amendment from TEA
 Six, Submit conversion amendment to TEA

Conversion Information

Registration number: [Link]
 Title/Name of new debt instrument: US Sch Bldgs and Ref Ser 2011
 Converted LPs: [Link]

Debt Description

Select the Add LP link

Debt Service Schedule

Year	Amount	Balance
2004-2005	1879,452	
2005-2006	1987,895	
2006-2007	1987,895	
2007-2008	1987,895	
2008-2009	1987,895	
2009-2010	1987,895	
2010-2011	1987,895	
2011-2012	1987,895	
2012-2013	1987,895	
2013-2014	1987,895	

Slide 33
 Click *Add LP* to select the existing IFA-funded lease-purchases to include in the converting bond.

Development

FSP Initiative School Program 4187 ID#

District Profile Programs School District State Aid Reports

Debt Description

Registration number: [Link]
 Title/Name of new debt instrument: US, Tax Sch Bldgs and Ref Ser 2011
 Converted LPs: [Link]

Debt Description

US, Tax Sch Bldgs and Ref Ser 2011
 US, Tax Sch Bldgs and Ref Ser 2011
 Series 2011 Q2C8
 Series 2007A Q2C8

Slide 34
 A list of your district's IFA-funded lease-purchases appears.

Conversion Information

Registration number: [Link]
 Title/Name of new debt instrument: US, Tax Sch Bldgs and Ref Ser 2011
 Converted LPs: [Link]

Debt Description

Select the check box

Select the check box

Select the check box

Slide 35
 Select the relevant lease-purchases.

Conversion Information

Registration number: [Link]
 Title/Name of new debt instrument: US, Tax Sch Bldgs and Ref Ser 2011
 Converted LPs: [Link]

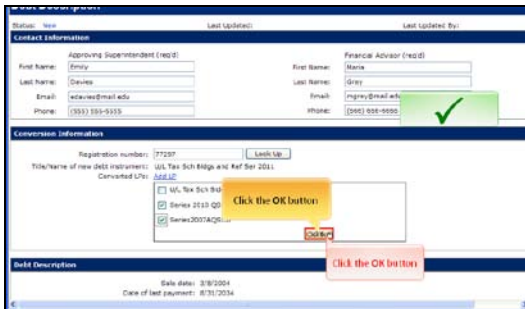
Debt Description

Select the check box

Select the check box

Select the check box

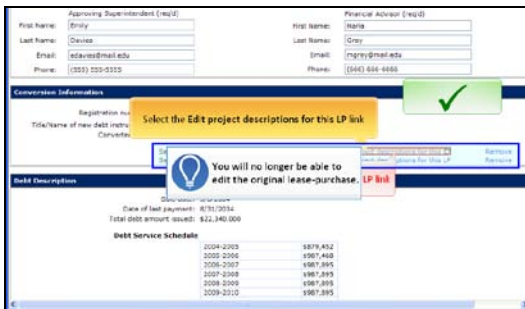
Slide 36



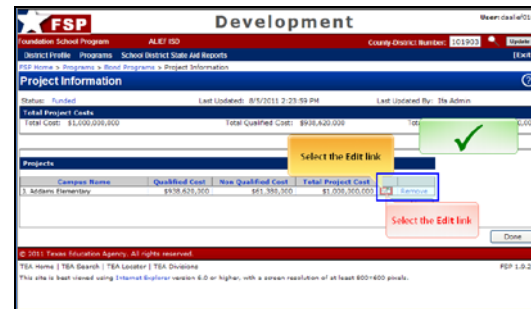
Slide 37
Click OK to confirm your selections.



Slide 38
You will receive a screen confirmation.



Slide 39
Edit the project information for the lease-purchases you have attached as needed. Note that you will no longer be able to amend the original lease-purchases. If their projects change, you will need to edit them through this conversion amendment.



Slide 40
The Project Information page for the lease-purchase you selected opens. Click Edit to edit a project or Remove to remove it from the lease-purchase.



Slide 41



Slide 42
Edit the project details as necessary.

Status: Funded
 Last Updated: 8/17/2011 2:23:53 PM
 Last Updated By: DA Admin
 Amendment: 8.5-2011 1:22:09 PM
 Campus name: Adams Elementary
 Campus enrollment: 44540
 Grade levels served: 9-13
 Estimated completion date: 10/20/2010
 Estimated square feet - new campus: 454545
 Estimated square feet - renovation: 454545
 Estimated square feet - campus addition: 454545
 Qualified cost (\$): 11,293,744
 Non-qualified cost (\$): 51,381,800
 Estimated project budget: \$1,005,000,266.00
 Will the project take place in a city or unincorporated area that lacks an adopted building code? Yes No
 Has the district adopted a building code as required by School Facilities plan/contract? Yes No
 Does the district have a procedure in place to ensure that an independent third party building code review of the plans and specifications is performed? Yes No
 Check all that apply for new construction & addition projects, identify all "all or part of these areas may be non-qualified. Review that the list on the screen and areas constructed as part of the project. For renovation projects, TFA TFA website and identify the total of all non-qualified costs in the

Slide 43

Status: Funded
 Last Updated: 8/17/2011 2:23:53 PM
 Last Updated By: DA Admin
 Amendment: 8.5-2011 1:22:09 PM
 Campus name: Adams Elementary
 Campus enrollment: 44540
 Grade levels served: 9-13
 Estimated completion date: 10/20/2010
 Estimated square feet - new campus: 454545
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 Estimated square feet - campus addition: 454545
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 Does the district have a procedure in place to ensure that an independent third party building code review of the plans and specifications is performed? Yes No
 Check all that apply for new construction & addition projects, identify all "all or part of these areas may be non-qualified. Review that the list on the screen and areas constructed as part of the project. For renovation projects, TFA TFA website and identify the total of all non-qualified costs in the

Slide 44

Status: Funded
 Last Updated: 8/17/2011 2:23:53 PM
 Last Updated By: DA Admin
 Amendment: 8.5-2011 1:22:09 PM
 Campus name: Adams Elementary
 Campus enrollment: 44540
 Grade levels served: 9-13
 Estimated completion date: 10/20/2010
 Estimated square feet - new campus: 454545
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 Estimated square feet - campus addition: 454545
 Qualified cost (\$): 11,293,744
 Non-qualified cost (\$): 51,381,800
 Estimated project budget: \$1,005,000,266.00
 Will the project take place in a city or unincorporated area that lacks an adopted building code? Yes No
 Has the district adopted a building code as required by School Facilities plan/contract? Yes No
 Does the district have a procedure in place to ensure that an independent third party building code review of the plans and specifications is performed? Yes No
 Check all that apply for new construction & addition projects, identify all "all or part of these areas may be non-qualified. Review that the list on the screen and areas constructed as part of the project. For renovation projects, TFA TFA website and identify the total of all non-qualified costs in the

Slide 45

Status: Funded
 Last Updated: 8/17/2011 2:23:53 PM
 Last Updated By: DA Admin
 Amendment: 8.5-2011 1:22:09 PM
 Campus name: Adams Elementary
 Campus enrollment: 44540
 Grade levels served: 9-13
 Estimated completion date: 10/20/2010
 Estimated square feet - new campus: 454545
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 Estimated square feet - campus addition: 454545
 Qualified cost (\$): 11,293,744
 Non-qualified cost (\$): 51,381,800
 Estimated project budget: \$1,005,000,266.00
 Will the project take place in a city or unincorporated area that lacks an adopted building code? Yes No
 Has the district adopted a building code as required by School Facilities plan/contract? Yes No
 Does the district have a procedure in place to ensure that an independent third party building code review of the plans and specifications is performed? Yes No
 Check all that apply for new construction & addition projects, identify all "all or part of these areas may be non-qualified. Review that the list on the screen and areas constructed as part of the project. For renovation projects, TFA TFA website and identify the total of all non-qualified costs in the

Slide 46

You should also update the lists of facility types if they have changed. When you have finished reviewing the project details, click *OK*.

Status: Funded
 Last Updated: 8/17/2011 2:23:53 PM
 Last Updated By: DA Admin
 Amendment: 8.5-2011 1:22:09 PM
 Campus name: Adams Elementary
 Campus enrollment: 44540
 Grade levels served: 9-13
 Estimated completion date: 10/20/2010
 Estimated square feet - new campus: 454545
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 Non-qualified cost (\$): 51,381,800
 Estimated project budget: \$1,005,000,266.00
 Will the project take place in a city or unincorporated area that lacks an adopted building code? Yes No
 Has the district adopted a building code as required by School Facilities plan/contract? Yes No
 Does the district have a procedure in place to ensure that an independent third party building code review of the plans and specifications is performed? Yes No
 Check all that apply for new construction & addition projects, identify all "all or part of these areas may be non-qualified. Review that the list on the screen and areas constructed as part of the project. For renovation projects, TFA TFA website and identify the total of all non-qualified costs in the

Slide 47

When you finish all updates for all projects associated with this lease-purchase, click *Done*.

Status: Funded
 Last Updated: 8/17/2011 2:23:53 PM
 Last Updated By: DA Admin
 Amendment: 8.5-2011 1:22:09 PM
 Campus name: Adams Elementary
 Campus enrollment: 44540
 Grade levels served: 9-13
 Estimated completion date: 10/20/2010
 Estimated square feet - new campus: 454545
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 Estimated square feet - campus addition: 454545
 Qualified cost (\$): 11,293,744
 Non-qualified cost (\$): 51,381,800
 Estimated project budget: \$1,005,000,266.00
 Will the project take place in a city or unincorporated area that lacks an adopted building code? Yes No
 Has the district adopted a building code as required by School Facilities plan/contract? Yes No
 Does the district have a procedure in place to ensure that an independent third party building code review of the plans and specifications is performed? Yes No
 Check all that apply for new construction & addition projects, identify all "all or part of these areas may be non-qualified. Review that the list on the screen and areas constructed as part of the project. For renovation projects, TFA TFA website and identify the total of all non-qualified costs in the

Slide 48

The system returns you to the main page for this amendment.

Year	Amount	Maturity
2004-2005	1879,412	
2006-2008	1987,895	
2008-2009	1987,895	
2007-2008	1987,895	
2009-2009	1987,895	
2008-2010	1987,895	
2010-2011	1987,895	
2011-2012	1987,895	
2012-2013	1987,895	
2013-2014	1987,895	
2014-2016	1987,895	
2015-2016	1987,895	
2016-2017	1987,895	
2017-2018	1987,895	
2018-2019	1987,895	

Slide 49

The *Debt Description* displays the total debt issued and all maturities for the conversion bond you selected. Review this section carefully. The *Total debt amount issued* should equal the total converted debt plus any new money. If there are any errors, you must correct them through MAC.

Visible only to the Approving Superintendent

2004-2005 1879,412
2006-2008 1987,895
2008-2009 1987,895
2007-2008 1987,895
2009-2009 1987,895
2008-2010 1987,895
2010-2011 1987,895
2011-2012 1987,895
2012-2013 1987,895
2013-2014 1987,895
2014-2016 1987,895
2015-2016 1987,895
2016-2017 1987,895
2017-2018 1987,895
2018-2019 1987,895

2020-2021 1987,895
2021-2022 1987,895
2022-2023 1987,895
2023-2024 1987,895
2024-2025 1987,895
2025-2026 1987,895
2026-2027 1987,895
2027-2028 1987,895
2028-2029 1987,895
2029-2030 1987,895
2030-2031 1987,895
2031-2032 1987,895
2032-2033 1987,895
2033-2034 1987,895

Slide 50

Once all information on this form is complete and accurate, the FA will need to submit the form to the superintendent, while the superintendent can certify the form and submit it directly to TEA

Select the checkbox

2004-2005 1879,412
2006-2008 1987,895
2008-2009 1987,895
2007-2008 1987,895
2009-2009 1987,895
2008-2010 1987,895
2010-2011 1987,895
2011-2012 1987,895
2012-2013 1987,895
2013-2014 1987,895
2014-2016 1987,895
2015-2016 1987,895
2016-2017 1987,895
2017-2018 1987,895
2018-2019 1987,895

2020-2021 1987,895
2021-2022 1987,895
2022-2023 1987,895
2023-2024 1987,895
2024-2025 1987,895
2025-2026 1987,895
2026-2027 1987,895
2027-2028 1987,895
2028-2029 1987,895
2029-2030 1987,895
2030-2031 1987,895
2031-2032 1987,895
2032-2033 1987,895
2033-2034 1987,895

Slide 51

If you're the superintendent, review the certification statement and make sure that you can agree to its terms. If so, click the checkbox.

Click the Submit to TEA button

2004-2005 1879,412
2006-2008 1987,895
2008-2009 1987,895
2007-2008 1987,895
2009-2009 1987,895
2008-2010 1987,895
2010-2011 1987,895
2011-2012 1987,895
2012-2013 1987,895
2013-2014 1987,895
2014-2016 1987,895
2015-2016 1987,895
2016-2017 1987,895
2017-2018 1987,895
2018-2019 1987,895

2020-2021 1987,895
2021-2022 1987,895
2022-2023 1987,895
2023-2024 1987,895
2024-2025 1987,895
2025-2026 1987,895
2026-2027 1987,895
2027-2028 1987,895
2028-2029 1987,895
2029-2030 1987,895
2030-2031 1987,895
2031-2032 1987,895
2032-2033 1987,895
2033-2034 1987,895

Slide 52

When you are ready, click the *Submit to TEA* button to submit. Note that you can also click *Save* to save without submitting or *Cancel* to discard any unsaved changes and return to the landing page.

The application was successfully submitted to TEA.

Slide 53

A confirmation message will appear on the landing page.

Multiple choice

If you need to change the Project Information for where do you enter that information?

- A) In an amendment to the original lease-purchase
- B) In an amendment to the new conversion bond.

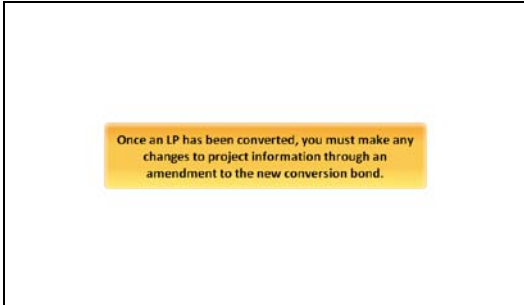
Correct - Click anywhere or press 'y' to continue
Incorrect - Click anywhere or press 'y' to continue
You must answer the question before continuing

Question 5 of 6

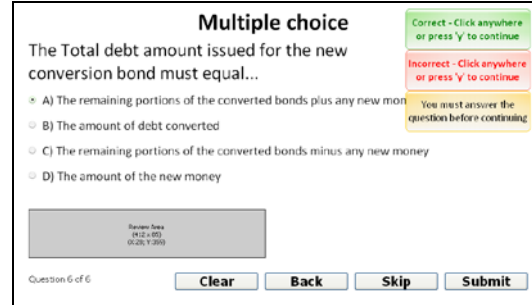
Clear Back Skip Submit

Slide 54

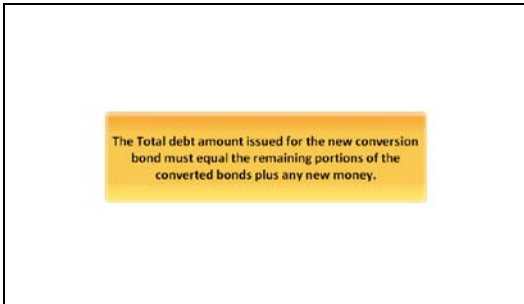
If you need to change the Project Information for a converted LP, where do you enter that information?



Slide 55
Once an LP has been converted, you must make any changes to project information through an amendment to the new conversion bond--either now or at a later date.



Slide 56
The Total amount debt issued for the new conversion bond must equal...



Slide 57
The Total amount debt issued for the new conversion bond must equal the remaining portions of the converted bonds plus any new money.



Slide 58
Congratulations! You have completed Part 3--Refundings and Conversions--of the Bond Programs - IFA training module. We covered:... The refunding and conversion process,... How to handle "new money",... and How to create a refunding or conversion amendment.



Slide 59