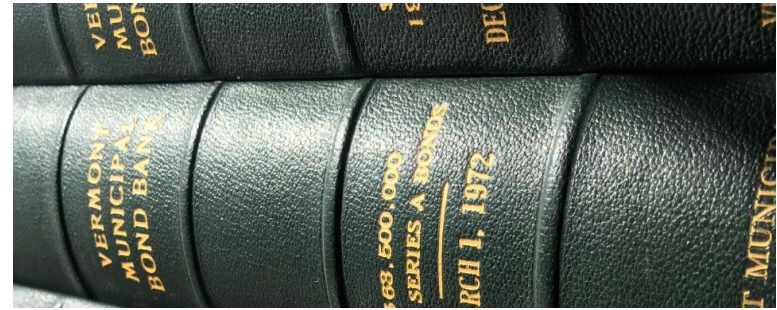




Vermont
Bond Bank



Energy and Housing Program Webinar

May 28, 2026

The Vermont Bond Bank



Vermont Bond Bank



The Vermont Bond Bank



Vermont Bond Bank

Capital Debt Affordability Advisory Committee

Local Investment Advisory Committee

Pooled Loan Program

NEW ISSUE

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Bond Bank, under existing law, and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds will not be included in the gross income of holders of such bonds for federal income tax purposes. Interest on the Bonds will not constitute a preference item for purposes of computation of the federal individual alternative minimum tax; however, Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in the adjusted financial statement income of certain corporations is not excluded from computation of the federal corporate alternative minimum tax. In the further opinion of Bond Counsel, the Bonds are exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes. See "TAX MATTERS" herein.



\$46,380,000
VERMONT BOND BANK

\$26,370,000

\$20,010,000

2023 Series 2 Bonds
(Local Investment Bonds)

2023 Series 3 Refunding Bonds

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The 2023 Series 2 Bonds (Local Investment Bonds) (the "2023 Series 2 Bonds") and the 2023 Series 3 Refunding Bonds (the "2023 Series 3 Bonds") and together with the 2023 Series 2 Bonds, the "Bonds") of the Vermont Bond Bank (the "Bond Bank") are issuable only as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as the registered Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of \$1,000 or any integral multiple thereof. Purchasers of beneficial interests will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the registered Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS - Book Entry-Only System" herein.

Principal and semiannual interest will be paid, as set forth herein, directly to DTC by U.S. Bank Trust Company, National Association, as Trustee and Paying Agent, so long as DTC or its nominee, Cede & Co., is the registered Bondholder. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participant as more fully described herein. The Bonds are subject to redemption as more fully set forth herein.

The Bonds are direct and general obligations of the Bond Bank payable out of any revenues or funds subject to the provisions of resolutions now or hereafter pledging particular monies, assets or revenues to particular notes or bonds of the Bond Bank as more fully described in this Official Statement. The Bond Bank does not possess any ad valorem taxing powers. The State of Vermont is not obligated to pay the principal of and interest on the Bonds, and neither the faith and credit nor the taxing power of the State of Vermont is pledged to the payment of such principal and interest.

The Bonds are offered when, and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, McCarver & English, LLP, Boston, Massachusetts, Outside Group LLC, El Segundo, California, serves as financial advisor to the Bond Bank. It is expected that the 2023 Series 2 Bonds in definitive form will be available for delivery to DTC in New York, New York or its custodial agent on or about August 10, 2023, and the 2023 Series 3 Bonds in definitive form will be available for delivery to DTC in New York, New York or its custodial agent on or about September 5, 2023.

Raymond James Morgann Stanley
Baird Fidelity Capital Markets UBS

August 1, 2023

State Revolving Loan Funds



Program Development

Technical Assistance

Clean Energy Finance

Climate Recovery

Housing Infrastructure

Policy Development

The Vermont Bond Bank



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Capital Debt Affordability Advisory Committee

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August 1, 2023

State Revolving Loan Funds



Program Development

Technical Assistance

Clean Energy Finance

Climate Recovery

Housing Infrastructure

Policy Development

Energy Efficiency & Renewable Energy Program

Energy Efficiency & Renewable Energy Program



The program provides low cost and flexible financing for energy efficiency and renewable energy projects to help drive down costs for all eligible Bond Bank borrowers from towns to school districts.

SAVING REQUIREMENTS

Loans must achieve measurable energy use or cost savings. The target is 15%, although projects above 5% savings will be considered.

COMPATIBILITY WITH ELECTIVE PAY

An eligible use of loan proceeds is the bridging of elective pay credits. The Bond Bank engaged Clifton Larson Allen on a fixed fee basis to assist in the filing of elective pay documentation with the IRS for borrowers.

The Bond Bank can provide fee schedules after initial inquiry. Related costs may be included in the loan amount.

ELIGIBLE ACTIVITIES

- Lighting
- Waste Heat Recovery
- Renewable Energy Systems
- Space conditioning including HVAC
- Compressed Air Systems
- Energy Efficient Appliance Upgrades
- Building Envelope Improvements
- Water Heaters
- Motor Systems
- Fuel Switching
- Necessary and incidental activities and investments related to implementation

LOAN PROCESS

Contact Vermont Bond Bank loan officer, Ken Linge, to start. Potential borrowers will be invited to apply following a preliminary review of proposed project and/or energy audit.

Measurement & Verification Requirements

- ▶ American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level 2 energy audit
- ▶ Energy savings company (ESCO) projection accompanied by guaranteed energy savings contract
- ▶ Deemed savings based on Efficiency Vermont's Technical Reference User Manual
- ▶ Other projects following review and approval by the Bond Bank

Energy Efficiency & Renewable Energy Program

Additional Loan Information	
Loan Amount	No limit subject to eligibility
Term	Up to 10 years
Interest Rate*	2.125% for standard loans
Closing Costs	Pass through of environmental review cost (approximately \$3,000)
Payment Dates	Monthly repayment
Drawdown Period	Fully funded at closing; funds accessed by requisition
Prepayment	At any time with no penalty
Requisition of Funds	<ul style="list-style-type: none"> • Contractor and borrower certified requisitions • Final draw or lump sum reimbursement (not including solar projects) subject to on-site inspection
Security	General obligation, revenue bond, and authorization for special financing of assets under statute
Legal	Local bond counsel opinion
Environmental	<ul style="list-style-type: none"> • Environmental Review required • Evidence of compliance with state or local historic preservation requirements as applicable
Covenants	<ul style="list-style-type: none"> • Quarterly reporting on the performance of the project via utility bills or other agreed-upon forms • Annual submission of a financial report from the borrower • One-time reporting on the beneficiaries of the project following completion • Requirements for corrective action if the project fails to perform as intended • Notice of material event that has negative adverse effect on the borrower's financial position
Credit / Underwriting	Bond Bank undertakes credit review followed by board approval prior to issuing loan
Other	Contractors must provide an equal opportunity and nondiscrimination certificate
* Evaluated monthly based on underlying market conditions	

Blending Sources Example



PROJECT COSTS

Building & Foundation	\$2,958,000
Solar PV Cells and Installation	282,000
Total	\$3,240,000

SOURCES

SLFRF (ARPA)	\$1,000,000
High Fund Reserves	458,000
Pooled Loan Program Loan	1,500,000
Clean Energy Program Net Loan	197,400
Elective Pay Credit (30%)	84,600
Total	\$3,240,000

Application

- Access application through website w/omnibus application
- Reviewed continuously

First contact Bond Bank to discuss the project and review for savings eligibility



Vermont
Bond Bank

Vermont Bond Bank Loan Application

Governmental Unit Name (Please select from the dropdown. If new borrower not listed, choose blank and fill out field below.) *

For New Borrowers Not Listed Above, Governmental Unit Name (Town, School District, Etc.) *

Contact Person Name *

Loan Type *

Are any Projects to be Financed Located in a Flood or Other Hazard Zone?

Housing Infrastructure Loan Program

- Program intent is to drive down the cost of infrastructure to either reduce costs and/or increase debt capacity for more infrastructure that will support housing
- Expected to help finance existing and pending tax increment finance (TIF) and community and housing infrastructure program (CHIP) infrastructure

Eligible Uses of Funds

- Preliminary engineering and planning;
- Engineering design and bid specifications;
- Construction of improvements
- Purchase / conveyance of eligible improvements



Eligible Infrastructure

- Improvements to a municipally owned water and wastewater system
- Municipally owned mobility and transportation investments, including complete streets (19 VSA § 2401), transit-related improvements, and improvements required by municipal regulations, official maps, or designation standards
- Other activities reviewed on a case by case basis in coordination with the State of Vermont

Benefits of HILP

- Lower rate provides more debt capacity
- More flexible source of financing compatible with pending S. 328 special assessment revenue bonds
- Example: HILP would enable up to \$400 thousand in additional infrastructure associated with CHIP project based on stabilized increment of \$100,000 per year

EXAMPLE CHIP DEBT CAPACITY

Estimated Project Value ¹	Stabilized Increment	Term (Yrs)	Rate Coverage	Supporting Loan Value			Additional Capacity	
				HILP	Bond Bank Conventional	Developer Sponsor	Min	Max
\$5,000,000	\$100,000	20		2.75%	4.04%	7.53%	\$168,494	\$429,570
				1.00x	1.00x	1.10x		
				\$1,522,725	\$1,354,232	\$924,661		

¹ 2% Tax Rate

[Note] Rates illustrative only; subject to market and underwriting conditions

Loan Terms

Program Requirements

- Eligible borrowers are governmental units including: cities, towns, villages, and various districts
- Legal opinion from local bond counsel
- Annual report for three years or three years of financial audits (preferred)
- Term of financing must not exceed useful life of asset financed

Terms and Conditions (Subject to Change)

Loan Amount	Up to \$3.5 million (Bond Bank retains all rights to determine amounts) at below terms; may be combined with other Bond Bank programs for a larger overall loan amount
Term	Up to 30 years
Interest Rate*	20 years = 2.75% 30 years = 3.50%
Closing Costs	\$2,000 for funded construction accounts (vs BAN payoff)
Payment Dates	Semi-annual interest payments; annual principal payments
Drawdown Period	Fully funded at closing; funds accessed by requisition
Prepayment	At any time with no penalty
Requisition of Funds	Contractor and borrower certified requisitions
Security	General obligation or revenue bond
Legal	Local bond counsel opinion
Permitting / Environmental	Evidence of all local permitting and approvals for both the infrastructure project and related direct housing units
Covenants	<ul style="list-style-type: none"> • Quarterly reporting on the performance of the project through completion of the linked housing development • Annual submission of a financial report from the borrower • Notice of a material negative financial events
Credit / Underwriting	Bond Bank undertakes credit review followed by board approval prior to issuing loan

* Evaluated monthly based on underlying market conditions

Application

- Access application through website w/omnibus application
- Reviewed quarterly



Vermont Bond Bank Loan Application

Governmental Unit Name (Please select from the dropdown. If new borrower not listed, choose blank and fill out field below.) *

For New Borrowers Not Listed Above, Governmental Unit Name (Town, School District, Etc.) *

Contact Person Name *

Local Bond Counsel Firm *

Local Bond Counsel Preliminary Opinion Letter

or drag files here.

Loan Type *

Housing Infrastructure Program (HILP) Supplemental Application

Instructions

This supplemental application should be completed in addition to the Vermont Bond Bank General Application (selecting the Housing Infrastructure Program loan type).

Definitions:

Direct units = units immediately enabled by HILP financing and expected to be permitted.

Indirect units = units enabled by increased capacity from the HILP financing but not immediately permitted.

Contact Name *

Full name of the person completing this supplemental application.

Contact Email *

We will use this email to contact you about this supplemental application.

Address of the direct units *

Provide the full site address for the direct units (street address, city, state, and ZIP). If the direct units are at multiple addresses, list the primary address and note others in the description field below.

Describe how the proposed financing and related infrastructure will enable housing development (max 200 words) *

Scoring in Event of Oversubscription

Evaluation

Projects must receive an evaluation score of six (6) or more to be considered (subject to credit review). Applications will be accepted quarterly, with approved loan commitments expiring six (6) months from the date of approval.

Evaluation Category	Evaluation Type	Description
Direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets	Binary; Tie breaker	Infrastructure cost per unit (with indirect units counted at 50%) will be used to compare competing applications with preference for lower costs per unit
Expansion of existing infrastructure systems	Binary	Added capacity to existing systems will be prioritized
Proximity to designated centers and growth areas	Scored from 1 to 3	Tier 1 growth area = 3, Transition or Infill = 2, Other Tier II = 1
Project readiness and timing of financing needs	Scored from 1 to 3	Vertical construction < 1 year from closing = 3; 1 to 2 years = 2; other = 1 (loan must close within 6 months)
Availability of financing for project completion or phased components	Binary	Evidence of housing project feasibility and financing commitments
Relative housing need of the community based on State housing targets	Tie Breaker	Loan allocations per RPC will be monitored in aggregate; category will be used comparatively to evaluate
Vermont Community Index (VCI) Score	Tie Breaker	Category will be used comparatively with lower capacity applicants preferred all else equal



Vermont Bond Bank

Michael Gaughan
Executive Director

P: 802-861-0073
E: michael@
vtbondbank.org

Elizabeth King
*Director of
Finance*

P: 802-861-0075
E: elizabeth@
vtbondbank.org

Ken Linge
Loan Officer

P: 802-861-0074
E:
ken@vtbondbank.org

The Bond Bank is an equal opportunity provider

vtbondbank.org