



## Loan Guarantees

MassDevelopment provides direct loans and partners with banks to provide loan participations and loan guarantees to manufacturers, commercial/industrial businesses, developers, and nonprofit organizations. MassDevelopment can provide a guarantee on a portion of a bank real estate loan, a charter school loan, a tax-exempt bond, and a loan to companies that export products to international markets.

### Export Guarantees

This program supports lending institutions on term loans, equipment loans, and real estate mortgages to exporters. Eligible companies are Massachusetts manufacturers that currently export or are considering exporting. Borrowers may be eligible for up to 100% financing for the purchase of new machinery and equipment using MassDevelopment's 70% Export Guarantee. The maximum guarantee available is \$1 million. A fee equal to 2% of the amount of the guarantee is due at closing plus an annual premium of 0.5% of the guarantee amount.

### Mortgage Insurance Guarantee

The Mortgage Insurance Guarantee encourages private sector investment by guaranteeing a portion of bank loans or tax-exempt bonds purchased by banks. MassDevelopment can guarantee up to a maximum of 90% of the value of the primary real estate collateral for the loan, allowing banks to lend above their LTV guidelines for new or existing credits. The maximum amount of the guarantee is \$2 million. The guarantee amortizes dollar-for-dollar with principal repayments on the loan. The maximum term is 10 years, although the lender can cancel the guarantee at any time without penalty. MassDevelopment's annual premium for this credit enhancement ranges from 2% to 3% of the amount of the guarantee.

### Charter School Loan Guarantees

This program allows lenders to finance the acquisition, renovation, or improvement of real property used by licensed Charter Schools in Massachusetts. This guarantee allows lenders to finance up to 100% of the lesser of cost or value of the underlying real estate. Facilities owned or leased by Charter Schools are eligible. The maximum amount of the guarantee is the lower of 50% of the debt or \$3 million for owned facilities and the lower of 90% of project costs or \$1 million for leased facilities. The guarantee amortizes on the same schedule as the principal balance on the loan. MassDevelopment charges an annual premium of 0.5% of the guarantee amount.



## Case Studies

### Argosy Collegiate Charter School

MassDevelopment issued a \$9.8 million tax-exempt bond and provided a charter school loan guarantee for Argosy Collegiate Charter School Foundations, Inc., an affiliate of the school, which used proceeds to buy the school's longtime building in Fall River. Argosy serves students in grades six through 12 and has operated in the 53,000-square-foot building since 2017. Hills and Mills Securities Corporation, an entity of BankFive, purchased the bond.

### Home Care Specialists

MassDevelopment partnered with Haverhill Bank to provide loan financing to 63 Neck Road LLC, an affiliate of Home Care Specialists, to purchase a building in Haverhill. Haverhill Bank provided a \$2,925,000 loan, which MassDevelopment enhanced with a guarantee. Home Care Specialists is a supplier of respiratory therapy and home medical equipment. Purchasing its own facility allows the company to reduce expenses and streamline services.

### Pipefitters Local 537, Dorchester

MassDevelopment issued a \$28.5 million bond for Pipefitters Local 537, a craft trade union for individuals employed in the Massachusetts construction industry. Pipefitters Local 537 used bond proceeds to demolish a building in Dorchester and replace it with a 70,000-square-foot, state-of-the-art, LEED-certified training facility. MassDevelopment enhanced the bond with a mortgage insurance guarantee. East Boston Savings Bank purchased the bond.

#### Main office:

99 High Street, Boston, MA 02110

#### Regional offices:

Devens | Fall River | Lawrence | Springfield | Worcester