



Rural Water Financing Agency

KRWFC transition to RWFA | January 16, 2024

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The Kentucky Rural Water Finance Corporation's ("KRWFC") Flexible Term Finance Program

has been acquired by the:

Rural Water Financing Agency ("RWFA")

RWFA Flexible Term Finance Program was able to achieve a AA- rating by Standard and Poor's.

There are no other substantive changes to the Flexible Term Finance Program with the transfer:

- All assets and investments were transferred from the KRWFC Flexible Term Finance Program to the RWFA Flexible Term Finance Program in June 2023.
- The Debt Service Reserve and associated investments (\$23.7 million as of January 16, 2024) were transferred to RWFA.
- All KRWFC current borrowers remain the same and all loans were transferred to RWFA.
- All KRWFC Flexible Term Finance Program requirements remain in place with the RWFA Flexible Term Finance Program.
 - All borrowers with debt secured by revenues must meet a debt service coverage ratio of 1.20x
 - Monthly sinking fund payments are sent via ACH to the Trustee a month in advance of the bond payment schedule
- The Compliance Group remains the same
- The RWFA board of directors is identical to the KRWFC board of directors

Rural Water Financing Agency



- The **Rural Water Financing Agency** is an interlocal public agency established under Kentucky law, designed to allow borrowers of the Agency to join together for the purposes of financing projects on a pooled basis.
 - This allows for borrowers of the Agency to come from all fifty states, as long as they are legally permitted.
 - RWFA was created by Kentucky public agencies with the assistance of the Kentucky Rural Water Association. It is a public agency as opposed to a quasi-governmental agency (as was KRWFC).

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