

BOND ISSUANCE COSTS

(Cost Estimates are based in a \$1,000,000 bond issued for 20 years)

Initial Issuance Costs

	On Your Own	Bond Bank
Financial Advisory Fee	\$5,000	
Rating Agency Fee	min \$3,000	
Printing & Postage of Official Statement	\$750 - \$1,500	
Bond Insurance Premium	\$3,800 (25bp)	
Local Bond Counsel	\$2,500 - \$5,000	\$2,500 - \$5,000
Underwriter Discount(\$5-\$8 per 1,000 bonds)	Included in the Interest Rate	Included in the Interest Rate

TOTAL: \$15,050 - \$18,300 through the initial bond sale if you choose to sell a bond on your own. Through the Bond Bank it would cost \$2,500 - \$5,000

OnGoing Annual Costs

	On Your Own	Bond Bank
SEC Disclosure	\$500	
Paying Agent Fee	\$300 - \$500	

TOTAL \$800 - \$1,000 annually and \$16,000 to \$20,000 over the life of a 20 year bond if you sell a bond on your own. Through the Bond Bank there are no annual costs incurred by the borrower over the life of the bond.

Cost to Sell a Bond On Your Own: \$31,050 - \$38,300

Cost to Sell a Bond Through The Bond Bank : \$2,500 - \$5,000

Through the Bond Bank you could Save **\$28,550 - \$33,300** in issuance costs.