# **How to complete a Closing Instruction Memorandum**

# The closing memorandum should be transferred onto the Borrower’s or Financial Advisor’s letterhead.

* The Borrower/Financial Advisor may use their own Closing Instruction Memorandum template if all relevant financial information is included.
* All items highlighted in yellow should be filled out by the Borrower/Financial Advisor.
* All addresses used should be the Borrower’s physical addresses, rather than the Bank’s address or PO boxes.
* At the top of the document:
  + Insert commitment type (Loan Agreement, Loan and Principal Forgiveness Agreement, Loan and Grant Agreement, Grant Agreement, or Principal Forgiveness Agreement)
  + Insert the Entity Name, Project Number, Commitment Number(s) (provided by TWDB), and TWDB funding amounts
  + Insert primary contact information for the Borrower
  + Insert the closing date, once scheduled
* Under section (1):
  + Insert the Commitment Numbers (as applicable) and the principal amounts of the commitments
  + Include the loan origination fee, if applicable
  + Complete the wiring information for deposit of the commitment proceeds
* Under section (2):
  + Insert the Commitment Numbers (as applicable) and the principal amounts of the commitments
  + Insert amounts to be withheld for payment to the Paying Agent/Registrar and/or Escrow Agent Fees, as applicable
  + Insert costs of issuance to be delivered to the Bond Counsel, Financial Advisor, or Engineer, as applicable
  + Insert the amounts to be deposited to the Escrow Funds and to the Entity, as applicable
  + Complete the wiring information for deposit of the commitments and other proceeds, as applicable
* Attach the distribution summary at the end of the document (example shown on Page 5).
* Contact your TWDB Financial Analyst or Project Manager if any further help is needed.

# **Closing Instruction Memorandum**

|  |
| --- |
|  |
| **[Commitment Type] between TWDB and [Entity Name]**  **Project No. [#####]** |
| **Commitment No. [#####] [principal amount]** |
| **Commitment No. [#####] [principal amount]** |

|  |  |  |
| --- | --- | --- |
| Texas Water Development Board | Texas Water Development Board | [Entity Name] |
| Financial Analyst | Project Lead | Title |
| Name | Name | Name |
| Phone | Phone | Phone |
| E-mail address | E-mail address | E-mail address |
|  |  |  |
| Texas Water Development Board |  |  |
| Attorney |  |  |
| Name |  |  |
| Phone |  |  |
| E-mail address |  |  |
|  |  |  |

Closing of the above-mentioned issue will occur on or about Weekday, Month Day, Year.

1. Sources of Funds - Delivery of Funds for Bond:

The Texas Water Development Board, the purchaser (the “Purchaser” or “TWDB”), will deliver funds by wire the following amount:

Par Amount of Loan (Loan #) $ 000,000.00

Less: Loan Origination Fee ($ 0.00)

Par Amount of Grant (Grant #) $ 000,000.00

Total $ 000,000.00

To:

* 1. **Financial Institution Name:**
  2. **Account Name:**
  3. **Account Number:**
  4. **ABA Routing Number:**
  5. **Beneficiary Physical Address:**
  6. **City, State, & Zip:**
  7. **Reference:**
  8. **Attention:**

1. Uses of Funds – Delivery of Funds for Grant or TWDB Loan:

Upon receipt of the funds from the Purchaser, [Financial Institution], the paying agent (the “Paying Agent”), will proceed to make the following payments on the day of closing per the instructions below:

**Paying Agent/Registrar/Escrow Agent Withheld: $000 (\*If applicable/paid out of bond proceeds)**

Payment for Paying Agent/Registrar and/or Escrow Agent Fees (Loan #)

**Deposit to [Consultant 1 (if applicable. If not, delete this section)]: $00,000**

Payment to the Financial Advisor/Bond Counsel/Engineer for further payment of incurred closing costs (Loan #)

* 1. **Financial Institution Name:**
  2. **Account Name:**
  3. **Account Number:**
  4. **ABA Routing Number:**
  5. **Beneficiary Physical Address:**
  6. **City, State, & Zip:**
  7. **Reference:**
  8. **Attention:**

**Deposit to [Consultant 2 if applicable. If not, delete this section]: $00,000**

Payment to the Financial Advisor/Bond Counsel/Engineer for further payment of incurred closing costs (Loan #)

1. **Financial Institution Name:**
2. **Account Name:**
3. **Account Number:**
4. **ABA Routing Number:**
5. **Beneficiary Physical Address:**
6. **City, State, & Zip:**
7. **Reference:**
8. **Attention:**

**Deposit to [Consultant 3 if applicable. If not, delete this section]: $00,000**

Payment to the Financial Advisor/Bond Counsel/Engineer for further payment of incurred closing costs (Loan #)

1. **Financial Institution Name:**
2. **Account Name:**
3. **Account Number:**
4. **ABA Routing Number:**
5. **Beneficiary Physical Address:**
6. **City, State, & Zip:**
7. **Reference:**
8. **Attention:**

**Deposit to [Entity Name]: $00,000**

Payment to the City for further payment of incurred costs (Loan #)

1. **Financial Institution Name:**
2. **Account Name:**
3. **Account Number:**
4. **ABA Routing Number:**
5. **Beneficiary Physical Address:**
6. **City, State, & Zip:**
7. **Reference:**
8. **Attention:**

**Deposit to Loan Escrow Fund: $000,000.00**

Escrow Project Fund (Loan #)

1. **Financial Institution Name:**
2. **Account Name:**
3. **Account Number:**
4. **ABA Routing Number:**
5. **Beneficiary Physical Address:**
6. **City, State, & Zip:**
7. **Reference:**
8. **Attention:**

**Deposit to Grant Escrow Fund: $000,000.00**

Escrow Grant Fund (Grant #)

1. **Financial Institution Name:**
2. **Account Name:**
3. **Account Number:**
4. **ABA Routing Number:**
5. **Beneficiary Physical Address:**
6. **City, State, & Zip:**
7. **Reference:**
8. **Attention:**

**Example Distribution Summary**

**Distribution Summary**

Loan Par Amount $ 633,000.00

Less: TWDB Origination Fee (0.00)

Total $ 633,000.00

Grant Funds $ 111,750.00

**Total from TWDB \_\_\_\_\_\_\_$ 744,750.00**

**Distributions**

Paying Agent/Registrar & Escrow Agent Fee $ 500.00

Bond Counsel Fee $ 10,000.00

Financial Advisor Fee $ 5,000.00

Engineer Fee $ 5,000.00

Deposit to Loan Escrow Fund (Loan #) $ 610,000.00

Deposit to Grant Escrow Fund (Grant #) $ 111,750.00

Payment to [Entity Name] for incurred closing costs (Loan #) $ 1,000.00

Additional Fees $ 2,000.00

MAC Fee $ 500.00

CUSIP Fee $ 1,000.00

AG Fee $ 500.00

**Total $ 744,750.00**