

## Frequently Asked Questions

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### **What is HEAL?**

Established by Act 112 of the 1968 Regular Legislative Session, HEAL was created to provide affordable capital financing for projects aligned with its mission through the issuance of tax-exempt bonds.

### **What do we do?**

The Health Education Authority of Louisiana serves as the sole conduit issuer of HEAL bonds. HEAL bonds present the means for qualifying projects and entities to receive tax-exempt financing and therefore achieve substantial interest cost savings.

### **What are the advantages of financing through HEAL?**

Lower interest rates. The tax-exempt interest rates on HEAL loans are about 20% - 30% lower than taxable commercial rates.

### **Who can HEAL help?**

Nonprofit and/or 501(c)3 organizations, *projects of* public and private institutions and organizations related patient care, health science education and biomedical research, as well as organizations providing facilities and/or services deemed appropriate by the authority, to locate and/or operate in a functional geographic relationship within the geographic area.

### **How long does it take to fund a loan through HEAL?**

Loans can close in 90 – 120 days, depending on the size and complexity of the transaction.

### **Are long-term loans available through HEAL?**

Yes. Loans may be extended for 30 years typically, however repayment schedules can often be structured to meet the anticipated cash flow of the prospective borrower. At times, borrowers are able to use bond funds to pay the debt service until the project is placed into operation.

**Does HEAL dictate a borrower’s underwriter and bond counsel?**

No. Borrowers can gather their own team of experts and consultants. We only require that underwriters and bond counsel be nationally recognized and/or extensive experienced in tax-exempt financings.

**Who sells bonds issued by HEAL?**

Underwriters and Investment firms typically sell the tax-exempt bonds. These firms have substantial expertise in marketing tax-exempt bonds issued by conduit issuers and authorized authorities.

**Who buys bonds issued by HEAL?**

Banks, insurance companies, individual investors, pension funds, and other institutions all buy tax-exempt bonds.

**How are the bonds repaid?**

The borrower and / or its partners have the obligation to repay the bonds. Bonds issued by HEAL are not a liability of the State of Louisiana, but must be repaid solely out of the revenues of the entity whose project is being funded with HEAL bonds.

**Who governs HEAL?**

We are governed by a thirteen-member Board of Trustees appointed by the Governor and confirmed by the Louisiana Senate.