



Missouri Highways and Transportation Commission Policies

Category: FINANCIAL
Subcategory: Project Funding and Financing Alternatives
Sub-Subcategory: Missouri Transportation Finance Corporation (MTFC) Loan

Missouri Transportation Finance Corporation (MTFC)

State Infrastructure Banks were created by the federal government in the 1995 National Highway System Designation Act to make loans and provide assistance to surface transportation and transit capital projects. In order to establish a State Infrastructure Bank in Missouri, the Commission created a non-profit lending corporation known as the Missouri Transportation Finance Corporation (MTFC), as authorized by the federal transportation act. The loans allow highway and public transportation projects to be completed more quickly through the use of a combination of federal, state, local, and private money. The State Infrastructure Bank is authorized to offer a variety of financing options for transportation projects, including direct low-interest loans, bonds, and credit enhancements to allow local governments to get a lower interest rate on bonds. During the period extending from 1996 through 1999, the bank was capitalized with \$59.7 million dollars (\$49.4 federal dollars plus \$10.3 state matching dollars). Since that time funds to operate the program have been those that are returned to the bank in the form of loan repayments, as well as investment income and loan application fees.

MTFC Organizational Structure

A general non-profit corporation, to be known as the Missouri Transportation Finance Corporation (MTFC), created in keeping with Missouri law will be used as the initial organizational structure for the State Infrastructure Bank. The Commission Secretary will act as registered agent for the corporation.

The Missouri Transportation Finance Corporation Board of Directors will be appointed by the Commission. The directors shall at all times be divided into three groups. Group 1 shall consist of three of the then current members of the Commission each of whom shall be elected by the Commission. Group 2 shall consist of three employees of the Missouri Department of Transportation being the Director, Chief Financial Officer, and Director of Multimodal Operations who shall serve as members of the Board of Directors by virtue of their positions without further action of the Commission. Group 3 shall consist of two at large members with knowledge in the field of business or finance elected by the Commission.

The President of the Board of Directors shall be from Group 1 and shall be appointed by the Chairman. All other officers will be elected by the Board of Directors.

The bylaws of the Corporation may from time to time be altered, amended, suspended or repealed, or new bylaws may be adopted by a resolution adopted by the majority of (a) the entire number of directors then fixed by the bylaws, and (b) the Commission.

In addition to the general policies noted above, the following specific provisions are applicable to the Missouri Transportation Finance Corporation:

- Applicants must be able to pay back loan and agree to terms and conditions approved by corporation and MHTC.
- Eligible projects include highway projects and transit capital projects otherwise eligible for federal transportation funds.
- Assistance is provided through direct loans; however, other types of assistance including primary and subordinated loans, bond and grant anticipation loans, debt-reserve financing, subsidized interest rates, letters of credit and others as authorized by federal law can be provided with Board approval.
- Interest rates are based on comparable term U.S. Treasury or tax-exempt bond rates.

Effective Date: February 6, 2019
 Supersedes Policy Dated: February 7, 2018
 Last Reaffirmed:
 Date of Origin: December 9, 1988

Related Commission Minutes –February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; March 6, 1996; July 3, 1996; August 9, 1996; April 3, 1997; October 3, 1997(3); April 3, 1998; June 5, 1998; December 2, 1998; July 7, 2000; August 10, 2001; January 10, 2003; April 4, 2003; March 10, 2004; September 10, 2004; March 9, 2005; February 6, 2006; June 14, 2006. November 7, 2013- combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy. February 11, 2014; March 5, 2014. February 7, 2018 – separated Commission actions pertaining to the various funding and financing options, and modified reference to bylaws to correspond with recent change in the bylaws. February 6, 2019 – comprehensive review.