



introduction

getting started

FNFA

The First Nations Finance Authority was created to provide First Nation governments with access to the same types of affordable financing that all other local and regional governments in Canada use to ensure quality of life for their citizens. Through the FNFA, First Nation communities now have access to interim (during construction phases) and long term loan financing (from 5-30 years) for their community needs.

FNFA's financial loans are tailored to meet our clients' needs:

1. FNFA is not-for-profit so our loan costs are your loan costs;
2. Each community can choose its own repayment term, whatever works for your budget (up to 30 years);
3. Most revenue streams are eligible to support loan requests;
4. Locking in the interest rate for the duration of the loan ensures there are never any surprises in repayment of the loan; and,
5. FNFA staff understands that each First Nation is different and has different needs and projects. We will work with each community to ensure that it is as easy as possible to get involved.

Call us today to explore how we can assist you with your infrastructure financing requirements.

www.fnfa.ca



www.fnfa.ca

Contact us for more information:

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FNFA

*Helping our communities build their own futures,
on their own terms.*

Affordable loans to grow your community

Collectively, First Nations communities represent the single largest growth potential in Canada. However, for lack of access to affordable loans to develop that potential, most of our economies, and much of our lands, are underdeveloped. Many communities suffer from inadequate infrastructure and our people remain underemployed.

It takes money – investment capital – to make money, to generate wealth, to realize each community's visions, to grow and to provide economic opportunities for your people and to develop capacity.

But how do communities get the ball rolling? Many things are needed: access to resources, stable and dedicated leadership, real governance powers, appropriate financial administration, sound community planning, and some form of revenue to leverage. Many of our communities have these already. And yet, they continue to struggle to find affordable loans on the same terms as other local and regional governments in Canada. For lack of access to the capital sources used by all other orders of government in Canada, our communities are currently limited to expensive, short-term retail borrowing from banks.



Direct access to capital markets

FNFA was formed by a group of forward-thinking First Nations' leaders in 1993 in order to respond to this challenge. FNFA is a First Nations owned and operated, not-for-profit, pooled-borrowing institution. Our goal is to provide First Nation governments with loans at the best possible rates. FNFA, with its investment grade credit rating, raises these monies by issuing debentures in the financial markets. FNFA is modeled after tried and tested pooled government borrowing authorities.

First Nations may access almost any revenue stream available to the community to secure loans from the FNFA. Revenues fall into two categories: Property Tax loans and Other Revenues loans.

Borrowing with other revenues

Communities can use almost any type of revenue to access FNFA loans. These revenues streams can be any one, or a combination of:

- Federal, provincial, or municipal transfers;
- Land claim settlement dollars;
- Impact benefit agreement dollars;
- Independent Power Projects (IPPs) revenues;
- Contract or lease payments;
- Gaming dollars; and,
- Band owned business revenues.

When a First Nation uses other revenues to secure a loan from the FNFA, the loans can be used for any social or economic development projects, on or off reserve, including the purchase of additional land.

Additionally, the FNFA is mandated to provide equity support for First Nations that wish to engage in energy projects, often called Independent Power Projects. These are projects such as:

- Hydro electric (run-of-the-river); and,
- Wind energy.

The size of a community's loan request is only limited by the stability and type of the revenue stream used to repay it. The FNFA does not require collateral or cash up front.

To learn more about the different revenue streams and to determine how much a community can borrow, try our loan calculators on our website at www.fnfa.ca/en/tools-and-docs/tools.php

Borrowing with property taxation revenues

First Nation governments that have implemented real property taxation systems may also use these tax revenues to secure loans through the FNFA. When a First Nation government uses property tax revenues to borrow from the FNFA, the loans must be used for the provision of infrastructure type services on reserve.

The uses for property tax secured loans include, but are not limited to:

- Water and sewer treatment facilities;
- Potable and waste water transport piping;
- Sidewalks and streets;
- Street signage, bridges, and lighting;
- Public works and rolling stock; and,
- Public buildings such as, administrative centres, social housing, arenas, schools, fire halls and community centres.

For a complete eligibility listing, please visit the First Nations Tax Commission at www.fntc.ca.

Exclusively for First Nation Governments

FNFA loans are available only at the First Nation government level. FNFA financing is for community projects only; it does not address financing for private business ventures, or individual's loan needs.



Benefits of Pooled Borrowing

Public debt is how regional Canadian governments build communities:

- Right-sized, well maintained infrastructure attracts investments, creates economic opportunities and generates income and employment for residents;
- Low interest rates, fixed for the entire loan;
- Loans are available when communities need them;
- Longer repayment terms to meet budget requirements;
- No collateral or cash deposits required;
- Potential to refinance existing debt at lower rates and provide immediate cash flow savings;
- Same treatment for all First Nations, big or small, urban or remote at same beneficial rates; and,
- Economic health helps capacity development.

**“It takes money to make money
... to realize your visions
... to grow economically.”**



Advisory Support and Cash Management:

FNFA can assist communities with budgeting tools and how to best make your visions/needs and your budget work together.

Through the FNFA's new website, First Nations now have access to powerful new tools that provide information to decision makers. These website tools allow each community to calculate their own borrowing room, and how much a project's loan will cost. All of the documentation required to get involved and all of the information First Nation governments need is easily accessible in a friendly web based environment.

Visit our new website at www.fnfa.ca.

Investment and other FNFA services:

Investment management of cash surpluses can be complex and specialized. In addition to loan financing for First Nation governments, the FNFA also offers First Nations access to an exclusive investment pool. Our Pooled Investment Funds offer the flexibility and ease of use of a bank account, the lowest possible management costs, higher than market returns and easy in or out access without penalties. This investment program is voluntary and completely separate from our loans program.

100% First Nations Owned

The FNFA is entirely owned by its Borrowing Members; membership is open to all First Nation governments in Canada. Borrowing Members may nominate and elect Chiefs or Councillors to the FNFA Board of Directors. This ensures that First Nations set the direction and governance of the FNFA.

