

The Debenture Process - Municipal Clients



Once a Financing Agreement has been signed with IO and a project is complete, or substantially complete, clients can request a debenture.

The debenture process takes about FOUR weeks to complete and is dependent on the scheduling of Council meetings.

STEP 1:
REQUESTING A DEBENTURE
(two weeks before Council meeting)



IO prepares a debenture timeline and several preliminary documents (Debenture Worksheet and, if required a Treasurer's Certificate and Schedule A) and sends them to the client. The Debenture Worksheet includes information such as requested debenture amount, Council meeting date, advances to-date, term and type of debenture.

Signed hardcopies of the preliminary documents must be received by IO within one week of the Council meeting date, before an Interest Rate Offer can be sent to the client.

STEP 2:
**RATE OFFER AND
DEBENTURE DOCUMENTS**
(one week before Council meeting)



An Interest Rate Offer and Repayment Schedule are emailed to the client. The Interest Rate Offer must be signed and sealed by the Mayor and Treasurer and returned to IO within 24 hours.

Upon receipt of the signed Interest Rate Offer, IO emails a complete set of debenture documents to the client, including the Debenture Bylaw. The client must review the documents and provide a copy to their legal counsel.

STEP 3:
COUNCIL MEETING



The Debenture By-law is passed at the Council meeting.

STEP 4:
DOCUMENT SIGN-OFF



All original signed and sealed debenture documents are to be received by IO at least three days prior to closing date and will be held in escrow until the closing date.

STEP 5:
CLOSE DATE



Loan client's external legal counsel contacts IO's Legal department to release documents from escrow. Once released from escrow, if new funds have been requested as part of the debenture amount, the requested funds will be directly deposited into client's bank account on the afternoon of the closing date.