

ADS Mandatory Reference: N/A
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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

BILLING NO. 6116-01 HOUSING GUARANTY PROGRAM

Notice of Investment Opportunity

The U.S. Agency for International Development (USAID) has authorized the guaranty of {a} loan(s) to the _____ ("Borrower") as part of USAID's development assistance program. The proceeds of {this} loan(s) will be used to enhance land development for shelter projects for the benefit of low-income families in _____. At this time, the Borrower has authorized USAID to request proposals from eligible lenders for a loan (s) under this program of \$_____ U.S. Dollars (US\$_____000). The name and address of the Borrower's representative(s) to be contacted by interested U.S. lenders or investment bankers, and the amount of the loan and project number(s) are indicated below:

Project No: _____ - \$_____000 Housing Guaranty Loan No.: _____

Attention: _____

Mailing address: _____

Telex No.: _____

Telefax No.: _____ (preferred communication)

Telephone No.: _____

Interested lenders should contact the Borrower as soon as possible and indicate their interest in providing financing for the Housing Guaranty Program.

Interested lenders should submit their bids to {all of} the Borrower's representative(s) by _____, _____, _____, 12:00 {noon Eastern Standard Time}. Bids should be open for a period of 48 hours from the bid closing date.

Copies of all bids should be simultaneously sent to the following:

(Street address: _____,

Telex No.: _____

Telefax No.: _____ (preferred communication)

Telephone No.: _____

Mr. David Grossman/Mr. Peter Pirnie

Address: U.S. Agency for International Development
Office of Environment and Urban Programs
G/ENV/UP, _____

Telex No.: _____

Telefax No.: _____ or _____ (preferred communication)

Telephone No.: _____ or _____

For your information the Borrower is currently considering the following terms:

- (1) Amount: U.S. \$__ _____.
- (2) Term: 30 years.
- (3) Grace Period: {Ten years grace on repayment of principal. (During grace period, semi-annual payments of interest only). If *variable* interest rate, repayment of principal to amortize in equal, semi-annual installments over the remaining 20-year life of the loan. If *fixed* interest rate, semi-annual level payments of principal and interest over the remaining 20-year life of the loan.}
- (4) Interest Rate: {Alternatives of fixed and variable rates, and variable rates with interest "caps", are requested.}
 - (a) Fixed Interest Rate: {If rates are to be quoted based on a spread over an index, the lender should use as its index a long bond, specifically the 7 1/2% U.S. Treasury Bond due November 15, 2024. Such rate is to be set at the time of acceptance.}
 - (b) Variable Interest Rate: {To be based on the six-month British Bankers Association LIBOR, preferably with terms relating to Borrower's right to convert to fixed. The rate should be adjusted weekly.}
 - (c) Variable Interest Rate With "Cap": {Offers should include a maximum (cap) rate ranging from 10% to 12% per annum, and are to be based on the six-month British Bankers Association LIBOR. The rate should be adjusted weekly.}

(5) Prepayment:

(a) Offers should include any options for prepayment and mention prepayment premiums, if any, and specify the earliest date the option can be exercised without penalty.

(b) Only in an extraordinary event to assure compliance with statutes binding USAID, USAID reserves the right to accelerate the loan (it should be noted that since the inception of the USAID Housing Guaranty Program in 1962, USAID has not exercised its right of acceleration).

(6) Fees: Offers should specify the placement fees and other expenses, including USAID fees and Paying and Transfer Agent fees. Lenders are requested to include all legal fees and out-of-pocket expenses in their placement fee. Such fees and expenses shall be payable at closing from the proceeds of the loan. All fees should be clearly specified in the offer.

(7) Closing Date: Not to exceed 60 days from date of selection of lender.

Selection of investment bankers and/or lenders and the terms of the loan are initially subject to the individual discretion of the Borrower, and thereafter, subject to approval by USAID. Disbursements under the loan will be subject to certain conditions required of the Borrower by USAID as set forth in agreements between USAID and the Borrower.

The full repayment of the loans will be guaranteed by USAID. The USAID guaranty will be backed by the full faith and credit of the United States of America

and will be issued pursuant to authority in Section 222 of the Foreign Assistance Act of 1961, as amended (the "Act").

Lenders eligible to receive the USAID guaranty are those specified in Section 238(c) of the Act. They are: (a) U.S. citizens; (2) domestic U.S. corporations, partnerships, or associations substantially beneficially owned by U.S. citizens; (3) foreign corporations whose share capital is at least 95 percent owned by U.S. citizens; and, (4) foreign partnerships or associations wholly owned by U.S. citizens.

To be eligible for the USAID guaranty, the loans must be repayable in full no later than the thirtieth anniversary of the disbursement of the principal amount thereof and the interest rates may be no higher than the maximum rate prescribed in accordance with Section 223(f) of the Act.

USAID is an equal opportunity agency and encourages all eligible investors to respond to this Notice, regardless of the race, color, creed, gender, religion or national origin of their owners or employees.

Information as to the eligibility of investors and other aspects of the USAID housing guaranty program can be obtained from:

Mr. Peter M. Kimm, Director

Office of Environment and Urban Programs

U.S. Agency for International Development

Room 409, SA-18, Washington, D. C. 20523

Fax Nos: (703) 875-4384

Telephone: (703) 875-4300

Michael G. Kitay
Assistant General Counsel
Bureau for Global Programs,
Field Support and Research
U.S. Agency for International Development

Date

Clearances:

G/ENV/UP:DGrossman ____ **Date** ____

G/ENV/UP:JStein ____ **Date** ____

USAID/ _ : ____ **(Draft)** ____ **Date** ____

USAID/ _ : ____ **Date** ____

GC/G:PWeisenfeld ____ **Date** ____

FM/LMD:JKing ____ **Date** ____

_____ , _____

Ms. Martha Girard
Office of the Federal Register
National Archives and Records Administration
General Services Administration
Washington, D. C. 20408

Dear Ms. Girard:

Enclosed herewith for publication in the Federal Register are three originals of the following document.

Notice of Investment Opportunity

_____, 1994

Because of the deadline for receipt of bids, and the pressing demands of this U.S. Government supported financing, it is requested that the above-mentioned document be published on an expedited basis by _____, _____, 1994.

Sincerely yours,

Administrator

Agency for International Development

By:

Michael G. Kitay

Authorized Representative

Enclosure

Notice of Investment Opportunity - _____ -HG- _____

cc: GC/ICEA:SHall

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