



## MassDOT Fiscal Items for Board Consideration

Board Approval of Replacement of Letter of Credit Facility

February 16, 2022

# Proposal to Change Letter of Credit Facility

- Letter of Credit secures the payment of principal and interest of the Senior 2010 Series A-1 Bonds
- Current agreement expires on May 10, 2022 and is at .29%
- Low bid received at similar terms is .19% for a 3-year term
- DOT will realize savings of \$117,161 per year and \$351,482 over the 3-year term
- DOT was also able to receive the same terms on the A-2 Letter of Credit with the same/current provider from 24bps to 19bps resulting in savings of \$57,337/year and \$172,010 over 3 years.