



Office of the Attorney General  
State of Texas

DAN MORALES  
ATTORNEY GENERAL

June 4, 1992

To All Bond Counsel:

Re: Timing Requirements for Filing Transcripts, Initial Bonds  
and Executed Documents

We are instituting some additional timing requirements for submission of documents to this office. Additionally, because of the continued heavy workload, it has become necessary to strictly enforce existing requirements. As you know, the minimum time requirement for transcript submission is 10 working days prior to closing for traditional financings, 12 working days for conduit financings. In determining these time periods, the day of submission is counted, if the transcript is received by 3:00 p.m., but not the day of closing. These requirements will not be waived for the convenience of the parties to the financing. There certainly can be circumstances which would result in delaying the submission of a transcript; however, unless a financing absolutely cannot close after the proposed date, the closing date must also be delayed. In order for timing requirements to be waived, we will require a letter from the issuer, or the user for a conduit financing, to the effect that the submission of the transcript has been unavoidably delayed and that delaying the closing date would result in the financing being unable to close, and the reasons therefore. (Please note, however, that for deadlines known long in advance, such as the June 30 expiration of authorization for mortgage revenue bonds and small issue industrial development bonds or the expiration of a private activity cap allocation, the time requirements will not be waived.)

Transcripts submitted which meet only the minimum time requirements must include substantially all items required by our rules or by past practice. As previously, if necessary, a transcript may be submitted prior to having all the documents executed. Unexecuted documents submitted must, however, be in substantially final form. There is a tendency for some financings, particularly conduit financings, to materially change after the submission of the transcript. The users in such financings must understand that they have to negotiate their deals prior to the submission of the transcript. It is no longer acceptable to submit only an indenture and a loan agreement or other essentially standard form documents which do not reflect the details of an

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actual financing. For refundings, another type of financing which has been problematical, "substantially all" of the documents includes the escrow agreement, a draft verification report and pertinent parity provisions from the refunded bond resolutions.

For transcripts which are submitted earlier than minimally required, documents not submitted with the transcript must be submitted by the minimum time requirements. Of course, the earlier all documents are submitted the more efficiently the transcript can be reviewed.

As to new timing requirements: We now require that the initial bond or bonds be submitted no later than five working days prior to closing. When unexecuted documents are submitted, the executed versions, in final form, must be submitted no later than three working days prior to closing. Additionally, any outstanding requirements for final approval must also be received at least three working days prior to closing. Time will be calculated the same way as for submission of transcripts. For example, for a Thursday closing, executed documents and final approval requirements must be in our office by 3:00 p.m. Monday and bonds must be here by 3:00 p.m. the previous Thursday. (The effect on this office of these time frames, if bond counsel would like the bonds registered and the opinions sent out two days prior to closing, as most do, are as follows: For a Thursday closing the bonds would have to go to the Comptroller's Office Tuesday afternoon, leaving here no later than 3:00 o'clock. If these minimum time requirements are met, we have only one working day to review executed documents and requirements for final approval, and only three working days to work the proofing of the bonds into the schedule.) We will make one exception to the above for final approval requirements. If there are only a small number of outstanding requirements, none of which will require substantial time to review, we will accept such requirements if received by federal express or other overnight delivery the morning following the normal 3:00 p.m. deadline. This does not include all the signature pages or the like, or all of a substantial number of outstanding requirements. But if all but one or two requirements have already been submitted, or the item or items has to come directly from the issuer, for example, then we are willing to make this exception.

If the closing is to take place in Austin, or if bond counsel states that it is satisfactory for the bonds to be registered by the Comptroller the day before closing, then one day may be subtracted from the time requirements.

Also, please be advised that if you request Attorney General approval a certain number of days prior to closing, then the time

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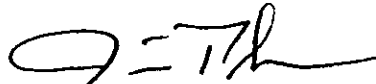
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requirements are counted back from the requested approval day, and not from closing. If you want our preliminary approval prior to scheduling closing, please advise us of this and of your estimated or desired closing date. If our time requirements are met, we will endeavor to provide preliminary approval in time to meet your time requirements.

Meeting these requirements will help us to review transcripts on a timely basis, and, hopefully, in the order we receive them. It is very understandable for bond counsel to be concerned when the result of their submission of a transcript in more than adequate time is that it gets placed behind transcripts which were submitted later, but with earlier closing dates. We understand that it can be extremely frustrating at times wondering where your transcript went. We are trying to improve the timeliness of our approvals; the number and complexity of transcripts we receive remains very high, however, making it difficult to make much headway. I believe the time requirements set out here will make a difference. However, please note that these are minimum requirements. The more time you can give us the better. Especially for complicated financings, please try to give us additional time if at all possible.

For your convenience, the following page sets out the new time requirements.

Sincerely,



Jim Thomassen  
Assistant Attorney General  
Chief, Public Finance Section

JT:jhi

**Office of the Attorney General  
Public Finance Section  
Minimum Timing Requirements for Submissions**

Transcript Submittal, Traditional Transcripts:	10 working days
Transcript Submittal, Conduit Transcripts:	12 working days
Submittal of Initial Bond or Bonds:	5 working days
Submittal of Final Executed Documents and Requirements for Final Approval	3 working days*

All times refer to the number of days prior to the day of closing. Transcripts, initial bonds, final executed documents and final approval requirements must be submitted by 3:00 p.m. in order for the day of submission to be counted as one of the days. The day of closing does not count. If these time frames are met, bond counsel can expect delivery of the transcript and opinions to the Comptroller two days prior to closing, in time for the bonds and opinions to be sent out on the day the Comptroller receives them. For closings in Austin, or if bond counsel states that it is satisfactory for the bonds to be registered by the Comptroller the day before closing, one day may be subtracted from the time requirements. If bond counsel desires approval prior to such time, the above times will refer to the number of days prior to the day for which such approval is requested. Please note the above are **minimum** requirements.

\*If there are a only a small number of outstanding requirements for final approval, and none of these will require substantial time to review, they will still be timely if received by federal express or other overnight delivery the morning following the 3:00 o'clock deadline.