# DBC® Finance

**The Industry Standard**

For more information on DBC, please contact us.

DBC Finance is composed of four seamlessly integrated modules – **Debt/Size, Refund, Monitor** and **Project Finance**.

## Debt/Size

- Easily accommodates multiple delivery dates, distinct interest payment or maturity frequencies, and overlapping and bifurcated maturities.

- Supports all bond types including CABS, convertible CABS, 26-week, 35-day and 28-day auction rate bonds, variable rate, multi-mode, convertible option, taxable and tax-exempt bonds, AMT and non-AMT bonds, and stepped and zero coupon bonds.

- Automatically prices bonds to "worst call date." Premium and deep discount term bonds subject to optional redemption are redeemed at the call dates producing the lowest arbitrage yield. Call dates are calculated and reported individually for pricing and arbitrage purposes.

- Supports the 'safe-harbor' test on fixed yield bonds callable within five years of issuance.

- Sizes project funds based on additional proceeds or defined draw weights if desired.

- Optimizes which maturities to insure given two scales and a bond insurance premium.

- Performs insurance breakeven analysis.

- Calculates expenses based on a formula or fixed dollar amount.

- Expenses may be flagged as affecting IRS tax rules to include in bond yield calculations.

- Supports commercial paper, lines of credit and letters of credit.

- Directs interest earnings to other funds or to pay for debt service. For example, excess reserve fund earnings can be directed first to net fund CAPI and then to pay debt service.

- Sizes investments based on future revenues.

- Handles formulas that can reference deposits to or draws from reserve or project funds, as well as expenses.

- Handles formulas based on prior bonds, costs of issuance, underwriter discount, escrow cost, outstanding debt service or revenues.

- Supports non-level guarantee fee amortization.

- Build America Bonds are easily handled.

## Refund

- Analyzes current, advance, crossover and forward delivery refunding issues.

- Models full and partial defeasances easily, including principal or interest-only escrows.

- Targets savings to a specific range of fiscal years, if desired.

- Refunding par may be limited to the refunded par and an equity contribution or taxable issue can be sized for the overage, if desired.

- Uses Batch Runs to perform interest-rate sensitivity analysis by varying the bond and escrow yields by specified increments; savings results are summarized in one easy-to-read report.

- Runs multiple what-if scenarios efficiently.

- Manages multiple escrows, bifurcated escrows, transferred proceeds and funds on hand for proper allocation to escrow accounts.

- Models complete transferred proceeds capabilities including cascading transferred proceeds.

- Computes transferred proceeds automatically on old reserve funds spent prorata in the escrow.

- Structures linear optimized SLGS, OMS or combined escrow portfolios using one or more sources of funds, each with its own investment parameters.

- Calculates float contracts or zero coupon rollovers for escrows with timing inefficiencies.

- Creates XML files for uploading subscriptions to SLGSafe.

## Monitor

- Sifts through a large number of prospective candidates on a regular basis.
- Processes batch runs that allow multiple runs with different case evaluations to be performed easily, thereby quickly giving a current market perspective for all monitored issues.
- Runs recurring market-based evaluations of bonds that meet savings criteria for all types of refundings.
- Evaluates refunding candidates from entire issues, or any combination of issues and maturities including complete term bond analysis.
- Evaluates combinations of callable/non-callable and refundable/unrefundable bonds.

## Project Finance

- Allocates bonds, project funds, reserve funds and expenses to many capital projects.
- Structures and analyzes long term capital programs such as phased-in financings with complete tracking of reserve fund income.
- Structures pooled financing programs for state and regional agencies.
- Structures senior/subordinate deals.
- Blends arbitrage yield for multiple issues, and can consider investment yields of all escrow accounts, project funds and reserve funds for arbitrage analysis.
- Aggregates the arbitrage yield to allow sharing of negative arbitrage from one series with positive arbitrage from another series, thereby maximizing yield for escrow, reserve and project funds.
- Includes or excludes series for yield calculations while keeping them in the sizing and debt service solution. This is useful for taxable/tax-exempt bond programs.
- Directs excess interest earnings in one series towards funds and/or debt service funds in other series. This can be useful when there are restrictions such as volume cap limitations.
- Rounds contingency to one bond denomination or less.
- Holds a series constant after it has been solved in order to combine several series with different objectives into a single project financing for tax purposes only.

- Universal Bond Solutions (UBS):
  - Shapes debt service at the Project Finance level to model difficult solutions, such as accelerating a taxable series and deferring a tax-exempt series with overall level debt service.
  - Solves aggregate solutions for upfront savings on multiple refundings.
  - Structures taxable tail deals to cover costs of issuance that exceed the 2% limit.
  - Solves for overlapping maturities using multiple proportionality options.
  - Amortizes principal sequentially by series.
  - Prints reports on a defined subset of financing components without recalculating or changing the results which is useful for handling large financings. For example, multiple components may be grouped together for a Series A, Series B, etc.
- CalcAgent:
  - Performs interest rate sensitivity analysis by varying the bond and escrow yields by specified increments up and down the yield curve. Savings are summarized in one easy to read report.
  - Batch processes "what-if" scenarios with full reporting.
  - Calculates aggregate issue and escrow yields, and produces aggregate reports for multiple series and/or refundings.
  - Compares competitive bids and runs a summary report of the bid results.

## Ease-of-Use Features

- Uses Natural Language Formulas (NLF) to make writing expenses and other formulas easy and provides maximum flexibility. For example, you can compute the size of a reserve fund using a formula such as "max annual ds."

- Provides drop-down menus with complete selections of alternative choices. The most commonly used options are set as the defaults. System defaults can also be customized for specialized needs.

- Component Gallery stores frequently used or complicated bonds, expenses or funds for re-use in future deals and for sharing with others.

- Template series feature saves time by automatically updating multiple series.

- Dynamically import and export data between DBC Finance and Excel.

- Copies one or all of an issuer's series within or to a new database to reduce data input.

- Downloads SLGS and OMS pricing easily.

- Provides context-sensitive Help system on all screens within the system.

- **DBC Learning**, a web-based library of courses and articles for municipal bond professionals is included with all DBC programs.

## Reporting

- Generates easy to read reports with multiple frequencies and detail levels that provide a full audit trail of all calculations.

- Produces all industry standard reports including sources and uses, debt service schedules, accreted value table, bond maturity table, proof of arbitrage yield, statistics, refunding savings and all escrow reports.

- Designs custom reports with any yield, statistical value or cash flow.

- Saves any report or group of reports to Excel for further analysis.

- Creates and saves packets of specific reports for reuse with any analysis, thereby saving time and standardizing your output.

- Saves time and reduces errors with fill-in forms for 8038 and automatically generates XML file for upload to SLGSafe.