



CAPITAL COMMENTARY

from MN Higher Education Facilities Authority

Vol. 10, No. 3

Brief reviews of financings recently completed by the Minnesota Higher Education Facilities Authority.

Borrower/Issue: College of Saint Benedict Series Six-M

Financing Vehicle: Revenue Notes

Project: The construction, equipping and furnishing of an approximately 51,000 square foot two-story student dining center located on the College campus in St. Joseph, Minnesota.

Issue Amount: \$7,345,000

Placement Method: Private placement by Wells Fargo Brokerage Services, LLC

Term of Financing: Ten years

Structure: Interest only payment for the first year and then equal semiannual payments covering both principal and interest through October 1, 2016. The notes are not secured by a debt service reserve fund or any other collateral. The notes may be redeemed in increments of \$500,000 or more, on any semiannual payment date beginning October 1, 2008 at a declining prepayment premium.

Interest Rate: 4.493%

Rating: Not Rated. Moody's has rated the College's existing rated long-term debt (also issued by the Authority) at Baa2 with a stable outlook.

Date of Settlement: October 26, 2006

Highlights: A private placement memorandum instead of an official statement was prepared to solicit investor interest. No bond trustee was engaged and no credit rating was necessary. Bond counsel and financial advisory fees are lower under this program compared to a public offering of revenue bonds. The notes were offered only to sophisticated investors, such as institutional buyers and high net worth individuals, in minimum denominations of \$100,000.

The Board Members and Staff of the Minnesota Higher Education Facilities Authority want to wish you the best at this holiday season. We also want to take this opportunity to let you know that our Annual Debt Conference will be held on Wednesday, April 18, 2007 at the

**EMBASSY SUITES HOTEL
175 EAST TENTH STREET
SAINT PAUL, MN 55101**

Please circle this date on your calendar and look for more information to be sent to you in March.

