



CAPITAL COMMENTARY

from MN Higher Education Facilities Authority

Vol.15 No. 1

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

- Borrower/Issue:** College of St. Benedict Series Seven-M
- Financing Vehicle:** Revenue Bonds
- Project:** New student housing facilities consisting of four residence buildings and a separate common area building.
- Issue Amount:** \$9,135,000
- Placement Method:** Public sale, on a negotiated basis, by Piper Jaffray & Co. as underwriter.
- Term of Financing:** 25 years
- Structure:** Serial maturities in 2013 through 2026 and term bonds maturing in 2031 and 2036. The bonds are secured by a debt service reserve fund and are subject to optional redemption beginning March 1, 2020.
- Interest Rate:** Coupon rates range from 3.00% to 5.125% with a combination of discount and premium bonds to appeal to different investors. Yields range from 1.33% to 4.61% for the serial maturities and 5.00% for the 2031 term bond and 5.25% for the 2036 term bond. 4.77% TIC. (True Interest Cost is a dollar-weighted average rate for the bond issue, taking into account the time value of money and including interest, original issue discount or premium and underwriting fees).
- Rating:** Baa1 with a stable outlook
- Date of Settlement:** December 14, 2011
- Highlights:** This series was structured as a long-term fixed rate issue with level debt service. Demand was very strong despite special disclosure in the Official Statement regarding proposals and rumblings of proposals from the White House, Congress and various federal committees that, if enacted, could adversely affect the marketability or market value of tax exempt bonds or otherwise prevent bondholders from realizing the full benefit of tax exempt interest.

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Please save the date for the 2012
Annual Conference on Financing Issues
which will be held on:

Wednesday, April 18, 2012
at the
Embassy Suites Hotel
Saint Paul

More information will be emailed to you in early March.