Minnesota Higher Education Facilities Authority

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CAPITAL COMMENTARY

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Borrower/Issue: Bethel University, **Series 2017**

Financing Vehicle: Revenue and Refunding Bonds

Project: Proceeds of the 2017 Bonds will be used to finance a project (the “Project”) consisting of (1) the refunding on a current refunding basis of the Authority’s outstanding Revenue Bonds, Series Six-R (Bethel University), dated August 2, 2007, which were issued in the original principal amount of $44,000,000 (the “Series Six-R Bonds”); and (2) the renovation of four residence halls, Nelson Dormitory, Getsch Hall, Bodien Hall and Edgren Hall, which will include new furnishings, plumbing, electrical and mechanical upgrades as well as remodeled bathrooms and common areas, and related improvements (the “New Money Project”), located on the Arden Hills, Minnesota campus of the Borrower, fund a debt service reserve and pay for costs of issue.

Issue Amount: $44,565,000, Series 2017

Placement Method: Public Sale, Negotiated with Barclays Capital Inc.

Term of Financing: Series 2017 - 30 years, consisting of 3 term bonds maturing on May 1, 2032, 2037 and 2047. The term bonds have mandatory sinking fund maturities beginning May 1, 2028.

Structure: Series 2017 – Term maturities in 2032, 2037 and 2047. The 2017 bonds may be redeemed at the option of the University on May 1, 2027 and any day thereafter at a price of par plus accrued interest.

Interest Rate: Series 2017 has coupon rates of 5.00% on each term bond. The yields on the three term bonds range from 3.52% to 3.87%. The Series 2017 Bonds have a TIC of 4.341188%. (True Interest Cost [TIC] is a dollar-weighted average rate for the bond issue, considering the time value of money and including interest, original issue discount or premium and underwriting fees).

Rating: The Series 2017 Bond is rated BBB-, stable outlook by Standard and Poor’s Global Ratings.

Date of Settlement: July 13, 2017

Highlights: The University has undertaken the refunding to realize interest savings and reduce maximum annual debt service through fiscal year 2037. The net present value savings from the refunding is approximately $1.95 million. The financing also provides approximately $5 million of funds to renovate residence halls and improve road access to the residence halls, without increasing debt service budgeted amounts.