



Minnesota Higher Education Facilities Authority

380 Jackson Street, Suite 450, St. Paul, MN 55101

Phone: 651.296.4690 Fax: 651.297.5751

CAPITAL COMMENTARY

(Vol. 21 No. 6)

Borrower/Issue:	University of St. Thomas, Series 2017A
Financing Vehicle:	Revenue Refunding Bonds Proceeds of the 2017A Bonds will be used to refund, on an advance refunding basis, the outstanding principal of the Authority's Series Seven-A Revenue Bonds plus interest to the October 1, 2019 redemption date for the Series Seven-A Revenue Bonds and to pay for costs of issuance.
Issue Amount:	\$60,750,000, Series 2017A
Placement Method:	Public Sale, Negotiated with Piper Jaffray & Co. and US Bancorp.
Tax-Exemption:	The Bonds were sold as tax-exempt bonds. Based on market conditions at the time of the sale, it is estimated that the use of tax-exempt bonds issued by the Authority resulted in a lower interest cost of \$6.471 million over the life of the bonds, compared to a taxable financing. This represents a present value savings of \$5.527 million.
Term of Financing:	20 years, consisting of serial bonds maturing on October 1, 2018 through October 1, 2037.
Structure:	Semiannual interest payable April 1 and October 1 with principal payable annually on October 1. Principal payments are structured to integrate with existing University debt service and to create approximately level overall annual debt service.
Prepayment:	Bonds maturing on or after October 1, 2028 are subject to optional redemption on October 1, 2027 and on any day thereafter at par plus accrued interest to the redemption date.
Interest Rate:	Coupon rates range from 3.00% to 5.00% on the Bonds. The yields on the serial bonds ranges from 1.30% on the 2018 maturity to 3.25% on the 2037 maturity. The Bonds have a True Interest Cost ("TIC") of 3.134617%. (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 2017A Bonds are rated A2, stable outlook by Moody's Investors Service.
Date of Settlement:	December 28, 2017
Highlights:	The University has undertaken the refunding to realize interest savings. The net present value savings from the refunding is approximately \$9.752 million, representing approximately 8.65% of refunded debt service. This represents savings in addition to the benefit of tax-exempt financing used for the Bonds.