

Minnesota Higher Education Facilities Authority

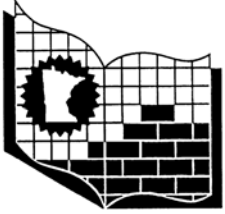
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CAPITAL COMMENTARY

(Vol. 22 No. 2)

Borrower/Issue:	St. Catherine University, Series 2018B
Financing Vehicle:	Revenue and Refunding Bonds, Series 2018B Proceeds of the 2018B Bonds will be used to refund, on an advance basis, the outstanding principal of the Authority's Series Seven-Q Revenue Bonds. Proceeds of the 2018B Bonds fund an escrow account to pay interest and principal of the Seven-Q bonds through the October 1, 2022 redemption date; and to pay for costs of issuance.
Issue Amount:	\$20,765,000, Series 2018B
Placement Method:	Negotiated public sale by Morgan Stanley & Co. LLC
Tax-Exemption:	The Bonds were sold as taxable bonds. Effective for bonds issued after January 1, 2018, advance refunding bonds may not be issued as tax exempt bonds. Previously issued tax-exempt bonds, such as Series Seven-Q Bonds, may be refunded on an advance basis, but only as taxable bonds.
Term of Financing:	32 years, consisting of semi-annual interest only payments on April 1 and October 1, commencing April 1, 2019 through April 1, 2046, followed by interest and annual sinking fund principal payments on October 1, 2046 through October 1, 2050.
Structure:	The Bonds are issued as a Term Bond, with a single maturity on October 1, 2050. Semi-annual interest payments payable on the first of April and October with mandatory redemption payments payable annually on October 1, beginning October 1, 2046. Annual debt service is matched with debt service on the concurrently issued Series 2018A Bonds to result in approximately level annual debt service for the University.
Optional	
Prepayment:	The Series 2018B Bonds maturing on or after October 1, 2029 are subject to optional redemption on October 1, 2028.



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- Interest Rate:** Interest rates on the Series 2018B Bond are fixed. The Coupon is 4.937%. The Series 2018B Bonds were issued at Par, so the Yield on the Bonds is also 4.937%.
- Rating:** The Series 2018B Bonds are rated Baa1 by Moody's Investors Service.
- Date of Settlement:** September 13, 2018
- Highlights:** The University has undertaken the issue of the Series 2018B Bonds to normalize and remove out-of-market financial covenants, reduce maximum annual debt service, and remove various interest rate risk factors.