



## Debt & Derivative Advisors

Leaders in Higher Education Finance

# Market Update: Higher Education

[www.soundcapital.com](http://www.soundcapital.com)

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### Talk to one of our Debt and Derivative Advisors:

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### General High Grade and Higher Education Yield Curves

	AAA GO	Insured Higher Ed	BBB Higher Ed	Swaps	
				SIFMA	67% of LIBOR
2 Yr	1.28	1.48	4.88	1.34	1.00
5 Yr	1.89	2.10	5.83	2.15	1.54
10 Yr	3.05	3.27	6.91	2.72	1.90
20 Yr	4.77	5.27	8.30	3.24	2.13
30 Yr	5.07	5.61	8.50	3.33	2.12

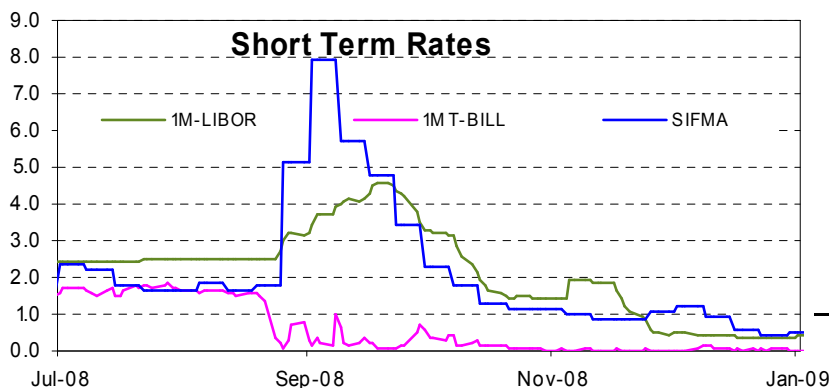
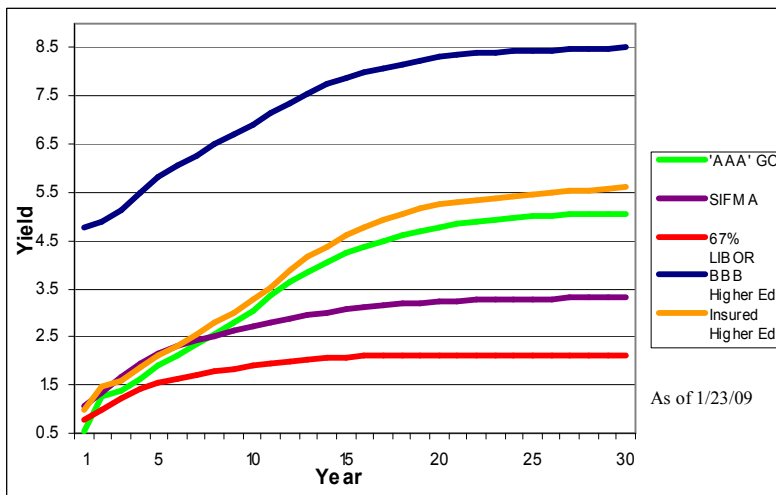
### Higher Education Market News

The Dow and S&P continued losing ground, closing at 8,077.56 (-2.5%) and 831.95 (-2.1%), respectively, led by steep losses in financials. Single family housing starts were down 13.5% to an all-time low, and consumer mortgage rates fell less than expected compared to recent drops in mortgage-backed securities yields. Meanwhile, initial unemployment claims jumped to 589,000.

In fixed income, the Treasury curve steepened, as yields rose 9 to 11 bps on the short end, 15 to 32 bps in the mid-range, and 45 bps on the long end. The AAA GO muni curve followed suit, with yields up 6 bps on the short end, 14 to 20 bps in the mid-range, and 33 bps on the long end.

On the new issuance calendar for higher education, there is a light \$172MM scheduled this week. Highlights include: 1) \$51MM Southern Indiana University, 2) \$41MM University of Minnesota, and 3) \$38MM Northeastern University, MA.

On the general municipal calendar, there is a light \$3.2Bn scheduled this week. Highlights include: 1) \$300MM District of Columbia Water and Sewer, 2) \$259MM Yankee Stadium Project, NY, and 3) Triborough Bridge and Tunnel Authority, NY.



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MuniMarket Pulse podcast — Former Pennsylvania Treasurer Robin Wiessman says “We’re Managing the Cash Flow Very Carefully”

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## New Issue Summary

### Recent Higher Education Transactions – Issues over \$10MM

Week of Sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
19-Jan	38.7	Univ of North Texas		TX	Rev	Aa3/---/AA-	09-28	Morgan Keegan	N
19-Jan	50.0	Iowa Higher Ed Ln Auth	Grinnell College	IA	Rev	Aaa/AAA/---	11	George K. Baum	N
12-Jan	128.6	MA State College Bldg Auth		MA	Rev	A1/A+/---	10-29, 34, 39, 49	JP Morgan	N
12-Jan	52.6	NY State Dorm Auth	Teachers College	NY	Rev	A1/---/---	15-19, 24, 29, 39	Morgan Stanley	N
12-Jan	217.6	Ohio State Univ		OH	Rev	Aa2/AA/AA	09-28	Morgan Stanley	N
12-Jan	57.7	Oklahoma University		OK	Rev	---/AA-/AA-	11-24, 29, 34, 39	Bosc Inc.	N
12-Jan	23.0	Texas Pub Fin Auth	Austin State Univ	TX	Rev	Aa2/---/AAA	09, 11-28	Morgan Keegan	N
12-Jan	108.4	Univ of Houston		TX	Rev	Aa3/AA-/---	09-33	RBC Capital Mkts	N
12-Jan	27.5	NJ Educ Facs Auth	Montclair State Univ	NJ	Rev	A2/---/A	11-23, 28, 38	Morgan Stanley	N
12-Jan	61.1	MA Hlth & Educ Fac Auth	Simmons College	MA	Rev	Baa1/BBB+/---	13-19, 22, 29, 39	Barclays Capital	N

#### Highlighted Unenhanced Higher Education Issue Details & Spread Analysis

New Jersey Educ Facs Authority	Maturity	Yield	+/- "AAA"
Montclair State University	2011	1.78	0.10
A2/---/A	2012	1.97	0.11
Pricing Date: 1/12/09	2013	2.25	0.19
\$27.5MM; Negotiated	2014	2.51	0.24
	2015	2.73	0.27
	2016	2.92	0.25
	2017	3.13	0.24
	2018	3.35	0.24
	2019	3.57	0.17
	2020	3.85	0.20
	2021	4.12	0.31
	2022	4.30	0.33
	2023	4.47	0.37
	2029	5.16	0.55
	2038	5.45	0.64

#### Highlighted Insured Higher Education Issue Details & Spread Analysis

Texas Pub Fin Authority	Maturity	Yield	+/- "AAA"
Austin State University	2011	1.88	0.20
Aa2/---/AAA (Assured)	2012	2.07	0.21
Pricing Date: 1/12/09	2013	2.27	0.21
\$23.0MM; Negotiated	2014	2.48	0.21
	2015	2.69	0.23
	2016	2.88	0.21
	2017	3.09	0.20
	2018	3.33	0.22
	2019	3.58	0.18
	2020	3.88	0.23
	2021	4.14	0.33
	2022	4.30	0.33
	2023	4.47	0.37
	2024	4.62	0.42
	2025	4.74	0.45
	2026	4.84	0.46
	2027	4.94	0.47
	2028	5.04	0.50

Issuers and borrowers may request SCM to perform a spread analysis on any issue. Call 952-996-0180.

### Upcoming Higher Education Transactions – Issues over \$10MM

Week of Sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
26-Jan	38.0	Mass Health & Ed	Northeastern University	MA	Rev	A2/---/---	09-19, 24, 29	Barclays Capital	N
26-Jan	25.3	Mass Health & Ed	Northeastern University	MA	Rev	A2/---/---	09-19, 24, 29	Barclays Capital	N
26-Jan	50.7	Southern Indiana University		IN	Rev	A2/A/---	09-19, 23, 28	PNC Capital Mkts	N
26-Jan	41.0	University of Minnesota		MN	Rev	---/---/---	10-29	Piper Jaffray	N
26-Jan	17.0	University of Minnesota (tx)		MN	Rev	---/---/---	10-24, 29	Piper Jaffray	N
4-Feb	18.1	Nevada Sys Higher Ed		NV	Rev	---/---/---	10-25		C

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