



Debt & Derivative Advisors

Leaders in Higher Education Finance

Market Update: Higher Education

www.soundcapital.com

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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	2.35	2.50	3.83	2.47	2.18
5 Yr	3.01	3.22	4.50	2.93	2.64
10 Yr	3.70	3.92	5.14	3.37	3.02
20 Yr	4.48	4.70	5.79	3.77	3.28
30 Yr	4.67	4.92	6.11	3.87	3.33

Higher Education Market News

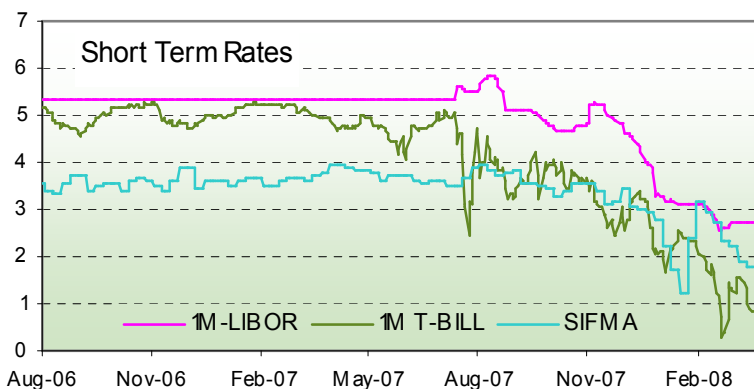
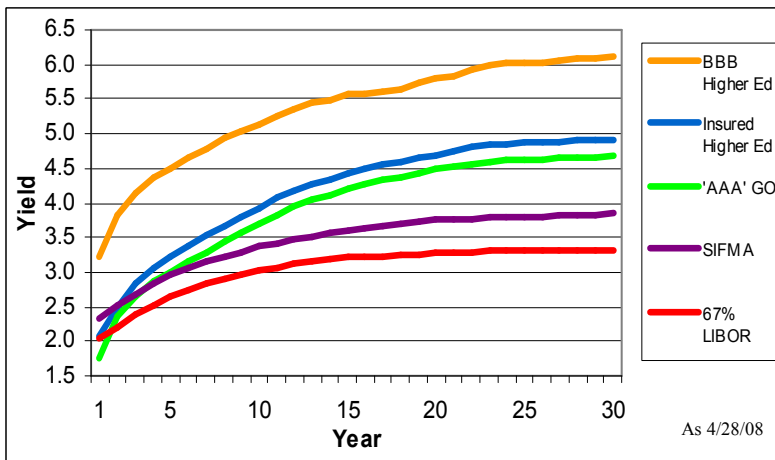
The Dow ended the week up 42 points to close at 12892 on Friday. On the economic front, while existing home sales were down 2% from the month previous, median and average prices actually rose 2.6% and 2.4% respectively. A key economic indicator, GDP growth for the first quarter, is expected Wednesday; the Bloomberg economist survey anticipates 0.5% annualized growth. Also Wednesday, the Federal Open Market Committee announces their **Fed Funds rate decision**. The market shows an **80% likelihood of a 25 basis point cut**, from 2.25% to 2.0%. The Fed futures market also is predicting a **rate increase by September 2008**.

Treasury yields gained as the curve flattened. AAA GO muni yields also gained 9 to 17 basis points on the front end and 7 to 8 basis points in the longer term.

This week the DerivActiv MuniMarket Pulse audio podcast is doing a **series on the student loan crisis**. Paul Sheldon of Student Loan Capital Strategies, which has teamed with SCM to advise schools on lending matters, spoke on Monday about the problems leading up to the crisis and the impact on all the constituents involved, including students, schools, and lenders. Listen at <http://podcast.derivactiv.com>.

On the new issuance calendar for higher education, there is a moderate-to-heavy \$592MM scheduled this week. Highlights include 1) \$387MM University of Miami, FL (\$80MM of which is taxable), 2) \$59.8MM Tufts University, MA, and 3) \$38MM Alabama State University.

On the general municipal calendar, there is a light \$5.2Bn scheduled. Highlights include 1) \$600MM Catholic Healthcare West, CA, 2) \$575MM San Diego County Water, and 3) \$430MM North Carolina Eastern Muni Power Agency.



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MuniMarket Pulse podcast - Paul Sheldon of Student Loan Capital Strategies Says Student Loan Problems Will Persist Into 2009, Discusses Resources. Go to <http://podcast.derivactiv.com>.



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
21-Apr	66.5	Mass Development Finance Agency	College of Holy Cross	MA	Rev	Aa3/AA/---	09-26	Banc of America	N
21-Apr	19.4	MN Higher Ed Facilities Authority	College of St. Benedict	MN	Rev	Baa1/---/---	09-18, 23	RBC Capital Mkts	N
21-Apr	287.8	NJ Educational Facilities Authority	College of New Jersey	NJ	Rev	Aaa/AAA/---	10-28, 35	Morgan Stanley	N
21-Apr	90.9	University of Washington		WA	Rev	Aa1/AA+/---	08-28, 36	Lehman Brothers	N
14-Apr	64.7	Connecticut Health & Educ Fac Auth	Quinnipiac Univ	CT	Rev	Aaa/AAA/---	08-28, 31	JPMorgan	N
14-Apr	51.7	Connecticut Health & Educ Fac Auth	Quinnipiac Univ	CT	Rev	Aaa/AAA/---	09-28	JPMorgan	N
14-Apr	54.5	Houston Community College		TX	Rev	Aaa/AAA/---	09-30	Siebert Brandford	N
14-Apr	68.4	NJ Educational Facilities Authority	New Jersey City Univ	NJ	Rev	Aaa/---/AAA	09-19,23,28,35	Morgan Stanley	N
14-Apr	30.1	Southern IL University		IL	Rev	Aaa/AAA/---	09-28	Lehman Brothers	N
14-Apr	25.4	Swarthmore Borough Authority	Swarthmore College	PA	Rev	Aaa/AAA/---	13	Morgan Stanley	N

Highlighted Unenhanced Higher Education Issue Details & Spread Analysis

MN Higher Education Facilities Authority	Maturity	Yield	+/- "AAA"
College of St. Benedict	2009	2.60	1.00
Baa1/---/---	2010	3.20	0.98
Pricing Date: 4/21/08	2011	3.50	0.98
\$19.4; Negotiated	2012	3.70	0.95
	2013	3.80	0.90
	2014	3.95	0.91
	2015	4.10	0.91
	2016	4.25	0.91
	2017	4.40	0.92
	2018	4.47	0.87
	2023	4.90	0.78

Highlighted Enhanced Higher Education Issue Details & Spread Analysis

Southern IL University	Maturity	Yield	+/- "AAA"
Aaa/AAA/---	2009	2.00	0.45
(A1/A+/---)	2010	2.55	0.38
Enhanced: FSA	2011	2.84	0.38
Pricing Date: 4/14/08	2012	3.05	0.34
\$30.1; Negotiated	2013	3.20	0.34
	2014	3.34	0.34
	2015	3.49	0.34
	2016	3.64	0.35
	2017	3.78	0.35
	2018	3.89	0.34
	2019	4.03	0.35
	2020	4.13	0.35
	2021	4.30	0.42
	2022	4.28	0.31
	2023	4.36	0.31
	2024	4.55	0.43
	2025	4.60	0.42
	2026	4.65	0.42
	2027	4.70	0.42
	2028	4.73	0.40

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
1-May	25.0	Iowa Board of Regents	State Univ of Iowa	IA	Rev	---/---/---	11-35		C
1-May	15.8	University of Iowa Facilities Corp	Univ of Iowa	IA	Rev	---/---/---	09-20		C
28-Apr	38.0	Alabama State University		AL	Rev	Aaa/AAA/---	10-38	Blount Parrish	N
28-Apr	59.8	Mass Health & Educ Facilities Auth	Tufts Univ	MA	Rev	---/---/---	28	Lehman Brothers	N
28-Apr	307.0	Miami-Dade County Educ Fac Auth	Univ of Miami	FL	Rev	A2/A-/---		Morgan Stanley	N
28-Apr	40.0	Miami-Dade County Educ Fac Auth	Univ of Miami (Taxable)	FL	Rev	A2/A-/---		Morgan Stanley	N
28-Apr	40.0	Miami-Dade County Educ Fac Auth	Univ of Miami (Taxable)	FL	Rev	A2/A-/---		Morgan Stanley	N
28-Apr	36.9	Pine Ridge Village Campus Housing		AZ	Rev	Aaa/AAA/---	09-28	RBC Dain	N

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