



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	3.27	3.36	4.07	3.00	2.83
5 Yr	3.34	3.48	4.25	3.22	3.03
10 Yr	3.71	3.90	4.72	3.57	3.29
20 Yr	4.30	4.49	5.27	3.88	3.46
30 Yr	4.47	4.66	5.42	3.96	3.49

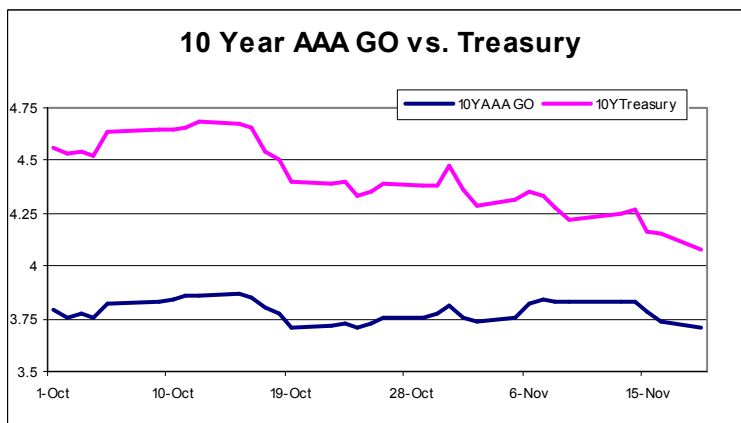
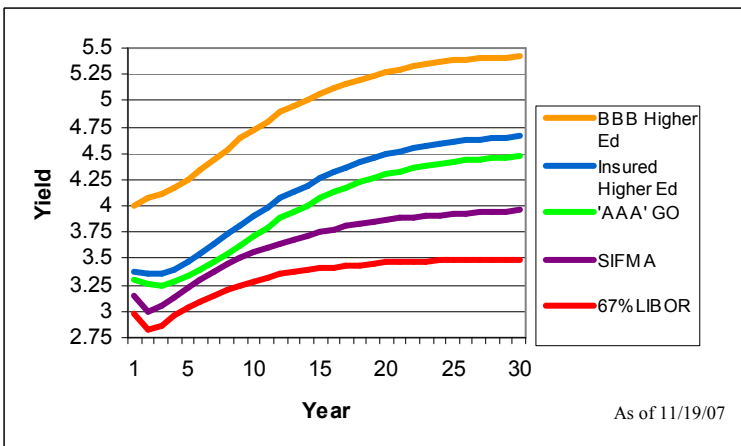
Higher Education Market News

All of the major indices declined more than 1.5% Monday (11/19), triggered by weak housing indicators and an estimate indicating that Citigroup would have \$15 Bn of additional write-downs over the next two quarters related to the sub-prime mortgage crisis. The Dow slid 218 points, or 1.55%, reverting to the level of the previous Monday (11/12). Signaling yet another flight to quality, the 10-Year Treasury hit its lowest yield – or most expensive price – in over two years, yielding 4.08% Monday (11/19).

The AAA GO yield curve has steepened since the beginning of the month, as it is 0-9 basis points firmer (lower) on the short end, unchanged in the middle, and 6-8 basis points weaker (higher) on the long end.

On the higher education new issuance calendar, the volume is light in the midst of a short holiday week. Highlighting the calendar is 1) \$70.3 MM Louisiana State University, 2) \$46.0 MM Roosevelt University, IL, and 3) \$17.2 MM Grand Rapids Community College, MI.

On the general municipal calendar, there is only \$1.3 Bn scheduled for the week. The largest deal is \$650 MM Clark County School District, Nevada. Other deals include \$124 MM California State Public Works and \$103 MM Guadalupe Regional Medical Center.



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MuniMarket Pulse Podcast: Listen to Brian McGough of Fifth Third talk about insurer woes and the 'stifling' of the current market. Go to www.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
12-Nov	162.5	Auburn University		AL	Rev	AA3/AA-/---	09-28,38	Merchant Capital	N
12-Nov	14.5	Auburn University	(Taxable)	AL	Rev	AAA/AAA/---	10-14	Merchant Capital	N
12-Nov	13.1	Fort Lewis College		CO	Rev	AAA/---/---	13-32	Stifel Nicolaus	N
12-Nov	29.4	Fort Lewis College		CO	Rev	AAA/---/---	17-37	Stifel Nicolaus	N
12-Nov	100.0	Peralta Community College Dist		CA	GO ULT	AAA/AAA/---	09-22,33,37	Goldman Sachs	N
12-Nov	298.5	University of North Carolina	Chapel Hill	NC	Rev	AA1/AA+/AA+	22-28,31,36	UBS Securities	N
7-Nov	183.3	Virginia State		VA	GO ULT	AAA/AAA/AAA	08-37	Merrill Lynch	C
5-Nov	80.2	Kentucky Asset / Liability	University of Kentucky	KY	Rev	AA3/AA-/---	10-27	Morgan Stanley	N
5-Nov	34.6	University of Oklahoma Brd of Rgnts		OK	Rev	---/AAA/AAA	24-28,33,37	Merrill Lynch	N
5-Nov	19.3	University of Oklahoma Brd of Rgnts	(Taxable)	OK	Rev	---/AAA/AAA	09-13,17,24	Merrill Lynch	N

Highlighted AAA Higher Education Issue Details & Spread Analysis

Univ Oklahoma Bd Regts	Maturity	Yield	+/- "AAA"
---/AAA/AAA	2024	4.52	0.36
(AA-/AA/---)	2025	4.56	0.36
Enhanced: XLCA	2026	4.60	0.37
Pricing Date: 11/05/07	2027	4.63	0.37
\$34.6; Negotiated	2028	4.66	0.37
	2029	4.67	0.36
	2030	4.68	0.35
	2033	4.70	0.33
	2037	4.75	0.34

* 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
19-Nov	32.8	Maryland Health Education Fac Auth	Goucher College	MD	Rev	---/A-/---	19,21,24,37	Banc of America	N
19-Nov	17.2	Grand Rapids Community College		MI	GO ULT	---/---/---	10-22	UBS Securities	N
19-Nov	70.3	Louisiana State University		LA	Rev	---/---/---	8-22,27,37	Morgan Keegan	N
19-Nov	46.0	Illinois Finance Auth	Roosevelt University	IL	Rev	---/---/---		Lehman	N
27-Nov	17.0	Santa Fe Community College Dist		NM	GO LT	---/---/---	09-13		C
4-Dec	25.0	Iowa State Board of Regents	University of Iowa	IA	GO ULT	---/---/---	10-29		C

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