



Justin P. Wilson, Comptroller

September 21, 2017

Tennessee Colleges and Universities Save More Than \$21 Million Dollars

The Tennessee State School Bond Authority has just completed a successful sale of \$402 million of its higher education facilities bonds to finance, and refinance, the costs of certain projects for the state's higher education system. The refinancing portion of this bond sale created a net present value savings of \$21,462,198 for the state's colleges and universities.

The debt was sold in three series of bonds with the Series A and B bonds generating a premium of \$80.7 million.

"I am very pleased by the response the State of Tennessee and its agencies continue to receive for their bonds," said Comptroller Justin P. Wilson. "There is a high demand for Tennessee's strong credit. I am also gratified that the state's higher education institutions will recognize a significant savings as a part of this bond sale. I'm confident the colleges and universities will find ways to pass these savings on to Tennessee's higher education students."

The Authority sold \$248 million 2017 Series A tax-exempt new money bonds at a true interest cost of 3.35%. The proceeds of the bonds will repay a revolving credit facility, fund additional costs of capital projects, and pay costs of issuance.

The Authority also sold \$140 million of 2017 Series B tax-exempt refunding bonds. The refunding at a true interest cost of 2.44% will generate savings to the institutions in the amount of \$20.4 million.

In addition, the Authority also sold \$15 million of 2017 Series C taxable refunding bonds at a true interest cost of 3.23%. The refunding will result in over \$1 million in savings to the institutions.

The bonds were rated AA+ by Fitch Ratings, Aa1 by Moody's Investor Service, and AA+ by S&P Global.

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