State of Tennessee Indebtedness

	Moody's/S&P/Fitch Credit Ratings [1]	a/o December 31, 2010 Number of loans/projects	a/o December 31, 2010 Debt Outstanding	a/o June 30, 2011 Number of loans/projects	a/o June 30, 2011 Debt Outstanding	Difference Number of loans/projects	Difference Debt Outstanding
Long-term General Obligation debt							
General Obligation Bonds Outstanding	Aaa/AA+/AAA	1,519	$ 1,736,180,000 [2]	1,519	$ 1,675,115,000 [2]	-	$ (61,065,000)
General Obligation Commercial Paper							
Tax-Exempt		165	$ 96,658,000	166	$ 188,678,000	1	$ 92,020,000
Taxable		3	26,927,000	2	25,539,000	(1)	$ (1,388,000)
Total Commercial Paper outstanding	P-1/A-1+/na	168	$ 123,585,000	168	$ 214,217,000	-	$ 90,632,000
Tennessee Local Development Authority							
Bonds issued and outstanding	Aa3/AAA/AA	47	$ 10,475,000	47	$ 9,750,000 [8]	-	$ (725,000)
Tennessee State School Bond Authority							
Higher Education Facilities Program							
Bonds outstanding	Aa2/AA/AA+	196	$ 1,066,473,000 [3]	178	$ 1,018,980,000 [3]	(18)	$ (47,493,000)
Commercial Paper outstanding:							
Tax-Exempt		44	$ 100,167,000	46	$ 145,058,000	2	$ 44,891,000
Taxable		9	10,899,000	9	17,595,000	-	$ 6,696,000
Total Commercial Paper	P-1/A-1+/na	53	$ 111,066,000	55	$ 162,653,000	2	$ 51,587,000
Qualified Zone Academy Bond Program							
Bonds outstanding	n/a	23	$ 57,210,000	23	$ 57,210,000	-	$ -
Qualified School Construction Bonds							
Series 2009	Aa1/AA/na	13	$ 177,000,000	13	$ 177,000,000	-	$ -
Series 2010	Aa2/AA/AA	15	$ 212,440,000	15	$ 212,440,000	-	$ -

(Security for the QZABs and QSCBs is the general obligation pledge of the local borrowers. Does not cross default to Higher Education.)

State Revolving Loan Programs							
Clean Water (Sewerage)							
Principal Outstanding	n/a	197	$ 560,824,246 *	209	$ 590,828,595 *	12	$ 30,004,349
Drinking Water							
Principal Outstanding	n/a	74	$ 86,823,934 *	81	$ 93,563,354 *	7	$ 6,739,420
Total Loans/Debt Managed by Division of Bond Finance:		**2,290**	**$ 4,142,077,180**	**2,293**	**$ 4,211,756,949**	**3**	**$ 69,679,769**

Revised 7/11/11

	Moody's/S&P/Fitch Credit Ratings	a/o December 31, 2010 Number of loans/projects	a/o December 31, 2010 Debt Outstanding	a/o June 30, 2011 Number of loans/projects	a/o June 30, 2011 Debt Outstanding	Difference Number of loans/projects	Difference Debt Outstanding
Total Loans/Debt Managed by Division of Bond Finance:		**2,290**	**$ 4,142,077,180**	**2,293**	**$ 4,211,756,949**	**3**	**$ 69,679,769**
Tennessee Housing Development Agency							
Mortgage Loans/Principal Outstanding	Aa2/AA/na	23,419	$ 1,692,935,000	22,238	$ 1,582,130,000	(1,181)	$ (110,805,000)
("NIBP") (2009 Bond Resolution) **	Aa2/na/na	3,384	$ 513,830,000	4,490	$ 94,710,000	1,106	$ (419,120,000)
Mortgage Loans / Principal Outstanding		26,803	$ 2,206,765,000 4)	26,728	$ 1,676,840,000 4)		$ (529,925,000)
Total State Indebtedness:		**a/o 12/31/10:**	**$ 5,701,194,000 ***	**a/o 6/30/11:**	**$ 5,204,205,000 ***		**$ (496,989,000)**

* The State administers the State Revolving Loan Funds Programs for the Local Governments. The programs currently have no outstanding indebtedness in the capital marketplace. The programs are funded by federal and state capitalization grants. Therefore, the dollar amount of loans managed for the State Revolving Loan Programs is not included in the Total State Indebtedness.

** The Issue 2009-A1 Bonds (totaling $40,000,000) were offered to investors.
The Issue 2009-A2 Bonds (totaling $60,000,000) and the Issue 2009-B Bonds (totaling $300,000,000) were purchased by Fannie Mae and Freddie Mac pursuant to the Single Family New Issue Bond Program (the "NIBP") announced by the United States Department of the Treasury, Fannie Mae and Freddie Mac. Due to the special program requirements, a new general bond resolution was drafted and approved. Neither the full faith and credit nor the taxing power of the State, or of any other political subdivision thereof is pledged for the payment of principal or interest on the Issue 2009 Bonds.
The Issue 2010-A and 2010-B Bonds (totaling $74,710,000) were offered to investors.
The Issue 2009-B, Subseries B-1 Bonds (totaling $85,290,000) were the first draw and conversion of the $300,000,000 2009-B Bonds initially issued in December 2009. These bonds were purchased by Fannie Mae and Freddie Mac pursuant to the NIBP.
The Issue 2010-B Bonds (totaling $40,000,000) were offered to investors.
The Issue 2009-B, Subseries B-2 Bonds (totaling $60,000,000) were the second draw and conversion of the $300,000,000 2009-B Bonds initially issued in December 2009. These bonds were purchased by Fannie Mae and Freddie Mac pursuant to the NIBP.
The 2011-A Bonds (totaling $40,000,000) were offered to investors.
The 2009-B, Subseries B-3 Bonds (totaling $60,000,000) was the third draw and conversion of the $300,000,000 2009-B initially issued in December 2009. These bonds were purchased by Fannie Mae and Freddie Mac pursuant to the NIBP.

AUTHORIZED/UNISSUED DEBT

General Obligation	$ 1,713,651,467 5)	$ 2,221,633,694 5)	$ 507,982,227
Tennessee Local Development Authority (TLDA)	$ 305,000,000 6)	$ 305,000,000 6)	$ -
TLDA Capital Projects	$ 75,000,000	$ 75,000,000	$ -
Tenessee Housing Development Agency (THDA)	$ 877,945,000 6)	$ 895,270,000 6)	$ 17,325,000
Tennessee State School Bond Authority (TSSBA)	$ 487,074,282 7)	$ 454,533,034 7)	$ (32,541,248)

	Moody's/S&P/Fitch Credit Ratings	a/o December 31, 2010 Number of loans/projects	a/o December 31, 2010 Debt Outstanding	a/o June 30, 2011 Number of loans/projects	a/o June 30, 2011 Debt Outstanding	Difference Number of loans/projects	Difference Debt Outstanding

Footnotes:

1) **The Moody's and Fitch ratings for the following programs were recalibrated as follows:**

Fitch Ratings:

State of Tennessee from AA+ to AAA (effective 4/5/2010)

Tennessee State School Bond Authority from AA to AA+ (effective 4/30/2010)

Tennessee Local Development Authority from AA- to AA (effective 4/30/2010)

Moody's Investor Service:

State of Tennessee from Aa1 to Aaa (a/o 4/19/2010)

Tennessee State School Bond Authority, Qualified School Construction Bonds, Series 2009 (Tax Credit Bonds) (a/o 4/16/2010)

- Financing rating from Aa3 to Aa2
- Programmatic rating from Aa2 to Aa1

2) **This amount includes the following:**

Beg. Bonds outstanding:	$ 1,617,505,000		$ 1,736,180,000		
Less: Principal maturities	(68,445,000)		(61,065,000)		
Plus: Bonds issued - Series 2010 A & B	231,445,000				
Less: Bonds Refunded	(44,325,000)				
Total Bonds Outstanding:	$ 1,736,180,000		$ 1,675,115,000		$ (61,065,000)

3) **This amount includes the following:**

Total Bonds Outstanding:	$ 1,066,473,000		$ 1,018,980,000		$ (47,493,000)

4) **Excludes bonds and notes that have been refunded at December 31, 2011.**

5) **This amount includes the following:**

Beg. Authorized/Unissued:	$ 2,006,056,467		$ 1,713,651,467		
Less: Canceled Bond Authorization 2010/2011	(105,900,000)	2011/2012	(21,417,773)		
New Bond Authorization 2011-12			529,400,000		
Less: Bonds Issued 2010 Series A	$ (186,505,000)				
Authorized/Unissued a/o 12/31/10:	$1,713,651,467	A/U a/o 6/30/11:	$2,221,633,694		$ 507,982,227
TDOT Bond Authorization:	$ 718,800,000		$ 792,800,000		$ 74,000,000
Capital Projects Bond Authorization:	994,851,467		1,428,833,694		$ 433,982,227
	1,713,651,467		2,221,633,694		$ 507,982,227

6) **Amount indicated is the unissued remaining statutory debt limit.**
Authorized/Unissued debt does not include $94,710,000 of 2009-B NIBP Escrow Bonds (pursuant to TCA 13-23-121).

7) **Amount indicated is capital projects approved by the TSSBA and the State Building Commission. No debt has been issued yet for these projects.**

8) **Amount indicated is the remaining balance of bonds and notes subsequent to the December 16, 2010 defeasance of TLDA bonds and notes by Metro Nashville.**
The TLDA notes were defeased in full in the amount of $53,060,000.