

## Deal Spotlight: Not-for-Profit Organization

### Newman Foundation at the University of Illinois Illinois Finance Authority

\$40,000,000

UW: NatCity Investments, Inc.

Rating: AA (S&P)

Dated Date: 2/15/07

The Newman Foundation at the University of Illinois (“Newman Foundation”) issued \$40 million of fixed rate bonds through the Illinois Finance Authority.

The Newman Foundation operates and staffs a Catholic student complex located at the center of the campus at the University of Illinois at Urbana-Champaign (the “University”). This complex includes a 298 bed student housing (Newman Hall), dining facilities, and the St. John’s Chapel. The Newman Foundation began operations at the University in 1905. It is the third oldest of the estimated 1,700 Catholic ministries located on non-Catholic universities and the only one that operates its own housing.

The bonds are secured by a general, unconditional obligation of the Newman Foundation in addition to a gross revenue pledge. A Special Auxiliary Account for the first few years of operation provides an additional reserve fund, and a mortgage is provided on the entire complex.

Debt service coverage is expected to reach 1.50x by 2013 and remain steady thereafter. Revenues supporting this issue include dormitory revenue, food service revenue and convenience store sales. The Newman Foundation has historically operated with 100% occupancy and maintains a lengthy waiting list. Newman Hall enjoys competitive advantages due to its location at the center of the University campus, its affordable pricing, and the close community that it provides.

The bond proceeds are being used to expand the Newman Foundation’s current housing operation to a total bed size of approximately 600, change the size of its cafeteria operations, and construct a convenience store.

The Newman Foundation accessed the market at lower interest rates based on Radian’s AA rating. Attached are sample maturities with their spread to the Municipal Market Data Line (MMDL) AAA GO Index.

Maturity	2027	2032	2037
Coupon	5.00%	5.00%	5.00%
Yield	4.58%	4.62%	4.66%
Spread to MMDL High Grade (bps)	+49	+48	+49

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