

Deal Spotlight: Education

Chase Collegiate School Connecticut Health and Educational Facilities Authority

\$11,060,000

UW: Stifel, Nicolaus & Company, Incorporated

Rating: AA (S&P)

Dated Date: 6/7/07

The Connecticut Health and Educational Facilities Authority issued just over \$11 million of fixed rate Series A Revenue Bonds. The bond proceeds were loaned to the Chase Collegiate School (the "School").

The School is a pre-K through 12 independent school, located on a 47-acre campus in Waterbury, Connecticut. It is a co-educational day school and draws students from 43 municipalities located within a 45-mile radius of its campus. The School is the product of the merger between two schools - Saint Margaret School for Girls, which was founded in 1865, and the McTernan School for Boys, which was established in 1912. The two schools were merged as the co-educational St. Margaret's- McTernan School in 1972. The school was renamed the Chase Collegiate School in 2005.

The School's class of 2007 recorded a median combined math and verbal SAT score of 1,160 which was well above the Connecticut State average of 1028 and the national average of 1,021. The School has a 2006-2007 enrollment of 501 students. Enrollments and applications have increased by 14% and 34% respectively during the three-year period encompassing Academic Year 2004-2005 through 2006-2007. The School's 2006-2007 yield is 70.7%. This figure constitutes an improvement from 54.1% as recently as the 2002-2003 Academic Year. The Chase Collegiate acceptance ratio has improved from 84.1% FY 2003 to 76.3% for FY 2007.

The bonds are a general obligation of the School, backed by a first lien on unrestricted revenues. The bonds are further secured by a mortgage on the facilities that are being improved through the issuance of the bonds. A negative pledge is made available on the remainder of the campus.

The bond proceeds will finance the expansion and renovation of the Upper School building. The expansion will add approximately 18,000 square feet to the building through a two-story addition that will house twelve new classrooms, a computer room, a 1,500 square foot student commons, a faculty workroom, a student café, and a study area. The proceeds will also refinance a term note leaving these bonds as the School's only outstanding debt.

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

Maturity	2017	2027	2032	2037
Coupon	4.25%	5.00%	5.00%	5.00%
Yield	4.15%	4.50%	4.55%	4.60%
Spread to MMDL High Grade (bps)	+ 26	+ 33	+ 33	+ 36

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