



**Justin P. Wilson, Comptroller**

September 18, 2019

## **Tennessee's 'High Quality' Bonds Generate \$40 Million Premium**

Tennessee's colleges and universities will benefit from a competitive low interest rate due in part to a \$40 million premium generated by the Tennessee State School Bond Authority's (TSSBA) successful sale of \$207 million of higher education facilities bonds.

The bond proceeds will be used to support capital projects at 6 of the state's colleges and universities. These projects include education buildings, parking garages, recreation facilities, and residence hall renovations.

Prior to the bond sale, the national publication *The Bond Buyer* informed investors that Tennessee was offering these "high quality bonds for risk-averse investors."

"Tennessee continues to be a very low-debt state, and we don't often issue bonds," said Comptroller Justin P. Wilson. "However, on the rare occasions that we do sell bonds, our sterling financial condition helps us attract buyers and maintain incredibly low interest rates."

The TSSBA sold \$147 million of Series A tax exempt bonds to Bank of America with a low total interest cost of 2.70%. These bonds generated a \$40 million premium that was used to reduce the par amount of bonds issued.

The authority also sold \$60 million of Series B taxable bonds to Robert W. Baird at a slight net premium with a total interest cost of 2.53%.

The bonds will be repaid over the next 25-30 years through revenues generated by Tennessee's public universities.

Follow the Comptroller's Office on twitter: [@TNCOT](https://twitter.com/TNCOT)

Media contact: John Dunn, Director of Communications, 615.401.7755 or [john.dunn@cot.tn.gov](mailto:john.dunn@cot.tn.gov)

