

NEW BOND ISSUE REPORT

Name of Issue: Kentucky Higher Education Student Loan Corporation (KHESLC) Student Loan Revenue Bonds, Series 2019-1

Purpose of Issue: The Taxable Fixed Rate Bonds are being issued for the purpose of purchasing, originating and financing Advantage Refinance, Education and Parent Loans (“Advantage Loans”)

Proposed Date of Sale: 2/20/2019
Proposed Date of Delivery: 3/1/2019
Ratings (Anticipated): Senior Bonds: AA (S&P)
Subordinate Bonds: BBB (S&P)

Projected Sources and Uses:

Sources	
Senior Bonds	\$ 110,000,000
Subordinate Bonds	25,000,000
Equity	15,700,000
Total Sources	\$ 150,700,000

Uses	
Deposit to Loan Account	\$ 145,975,000
Deposit to Debt Service Reserve Fund	2,700,000
Cost of Issuance	2,025,000
Total Uses	\$ 150,700,000

True Interest Cost: 4.69%
First Call Date: June 1, 2027
Final Maturity Date: June 1, 2037
Average Annual Debt Service: \$ 10,803,528
Total Debt Service: \$ 195,902,125
Average Life of the Bonds: 9.80 years

Method of Sale: Negotiated
Bond Counsel: Hawkins Delafield & Wood LLP
Senior Managing Underwriter: Bank of America Merrill Lynch
Underwriter’s Counsel: Kutak Rock LLP
Trustee: TBD

Kentucky Higher Education Student Loan Corporation (KHESLC)
Series 2019-1 Taxable Fixed Rate Bonds

Series 2019-1 Semi-Annual Debt Service				
	Principal	Coupon	Interest	Debt Service
3/1/2019	\$ -	-	\$ -	\$ -
6/1/2019	-	-	1,438,625	1,438,625
6/1/2020	3,500,000	3.50%	5,754,500	9,254,500
6/1/2021	5,500,000	3.60%	5,632,000	11,132,000
6/1/2022	8,000,000	3.68%	5,434,000	13,434,000
6/1/2023	11,000,000	3.71%	5,139,600	16,139,600
6/1/2024	13,000,000	3.81%	4,731,500	17,731,500
6/1/2025	12,000,000	3.90%	4,236,200	16,236,200
6/1/2026	11,000,000	4.00%	3,768,200	14,768,200
6/1/2027	10,000,000	4.14%	3,328,200	13,328,200
6/1/2028	5,000,000	4.19%	2,914,200	7,914,200
6/1/2029	4,000,000	4.24%	2,704,700	6,704,700
6/1/2030	-	-	2,535,100	2,535,100
6/1/2031	-	-	2,535,100	2,535,100
6/1/2032	-	-	2,535,100	2,535,100
6/1/2033	27,000,000	4.13%	2,535,100	29,535,100
6/1/2034	-	-	1,420,000	1,420,000
6/1/2035	-	-	1,420,000	1,420,000
6/1/2036	-	-	1,420,000	1,420,000
6/1/2037	25,000,000	5.68%	1,420,000	26,420,000
Total	\$ 135,000,000		\$ 60,902,125	\$ 195,902,125

Preliminary New Bond Issue Report

Issue: \$14,220,000 (est.) University of Kentucky General Receipts Refunding Bonds, 2019 Series A

Purpose of Issue: Bond proceeds of the 2019 Series A will be used to 1.) currently refund and retire all the outstanding University of Kentucky General Receipts Bonds, 2009 Series A; and 2.) pay associated costs of issuance.

Proposed Date of Sale: January 23, 2019
Proposed Date of Delivery: February 25, 2019

Ratings:
Moody's TBD
S&P TBD

Sources:

Par amount of bonds:	\$14,220,000.00
Premium:	\$1,117,922.10
Total Sources:	<u>\$15,337,922.10</u>

Uses:

Refunding Escrow Deposits:	\$15,162,838.96
Cost of Issuance:	\$103,983.14
Underwriter Discount:	\$71,100.00
Total Uses:	<u>\$15,337,922.10</u>

All-in True Interest Cost:	2.852%
Final Maturity Date:	11/2/2024
Average Annual Debt Service:	\$2,916,087.98
Total Debt Service:	\$16,573,100.00
Average Life (years):	3.310

Refunding Summary:

Bond Issue Being Refinanced:	See Summary of Bonds Refunded (attached)
Par Amount of Refunded Bonds:	\$14,945,000
Net PV Savings:	\$816,908
Percentage Savings of Refunded Bonds:	5.467%

Method of Sale:	Competitive
Bond Counsel:	Dinsmore & Shohl, LLP
Financial Advisor:	Hilliard Lyons
Trustee:	U.S. Bank

Based off cashflows as of 12/3/2018
Preliminary Subject to Change

BOND DEBT SERVICE

University of Kentucky
 Refunding of 2009A
 Tax-Exempt Refunding
 Current Market

Dated Date 02/25/2019
 Delivery Date 02/25/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
02/25/2019						14,220,000	14,220,000
05/01/2019	90,000	5.000%	130,350	220,350		14,130,000	14,130,000
06/30/2019					220,350	14,130,000	14,130,000
11/01/2019	2,070,000	5.000%	353,250	2,423,250		12,060,000	12,060,000
05/01/2020			301,500	301,500		12,060,000	12,060,000
06/30/2020					2,724,750	12,060,000	12,060,000
11/01/2020	2,175,000	5.000%	301,500	2,476,500		9,885,000	9,885,000
05/01/2021			247,125	247,125		9,885,000	9,885,000
06/30/2021					2,723,625	9,885,000	9,885,000
11/01/2021	2,290,000	5.000%	247,125	2,537,125		7,595,000	7,595,000
05/01/2022			189,875	189,875		7,595,000	7,595,000
06/30/2022					2,727,000	7,595,000	7,595,000
11/01/2022	2,405,000	5.000%	189,875	2,594,875		5,190,000	5,190,000
05/01/2023			129,750	129,750		5,190,000	5,190,000
06/30/2023					2,724,625	5,190,000	5,190,000
11/01/2023	2,530,000	5.000%	129,750	2,659,750		2,660,000	2,660,000
05/01/2024			66,500	66,500		2,660,000	2,660,000
06/30/2024					2,726,250	2,660,000	2,660,000
11/01/2024	2,660,000	5.000%	66,500	2,726,500			
06/30/2025					2,726,500		
	14,220,000		2,353,100	16,573,100	16,573,100		

SAVINGS

University of Kentucky
 Refunding of 2009A
 Tax-Exempt Refunding
 Current Market

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 02/25/2019 @ 2.4853633%
06/30/2019	343,956.25	220,350.00	123,606.25	123,047.77
06/30/2020	2,849,637.50	2,724,750.00	124,887.50	122,988.17
06/30/2021	2,849,862.50	2,723,625.00	126,237.50	121,189.81
06/30/2022	2,849,962.50	2,727,000.00	122,962.50	115,066.40
06/30/2023	2,848,312.50	2,724,625.00	123,687.50	112,955.99
06/30/2024	2,848,562.50	2,726,250.00	122,312.50	109,010.84
06/30/2025	2,851,031.25	2,726,500.00	124,531.25	108,221.02
	17,441,325.00	16,573,100.00	868,225.00	812,480.02

Savings Summary

PV of savings from cash flow	812,480.02
Plus: Refunding funds on hand	4,428.14
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Net PV Savings	816,908.16

SUMMARY OF BONDS REFUNDED

University of Kentucky
 Refunding of 2009A
 Tax-Exempt Refunding
 Current Market

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Receipts Bonds, 2009 Series A, 2009A:					
BOND	11/01/2019	5.250%	2,220,000.00	02/25/2019	100.000
	11/01/2020	4.000%	2,325,000.00	02/25/2019	100.000
	11/01/2021	4.000%	2,420,000.00	02/25/2019	100.000
	11/01/2022	5.000%	2,530,000.00	02/25/2019	100.000
	11/01/2023	5.000%	2,660,000.00	02/25/2019	100.000
	11/01/2024	4.375%	2,790,000.00	02/25/2019	100.000
			14,945,000.00		