

## NEW BOND ISSUE REPORT

<b>Name of Issue:</b>	\$325,000,000 Kentucky Higher Education Student Loan Corporation (“KHESLC”) Student Loan Backed Notes to be issued in one or more tranches in an interim or permanent mode	
<b>Purpose of Issue:</b>	The LIBOR Indexed Student Loan Backed Notes are being issued in one or more tranches in an interim or permanent mode for the purpose of financing Federal Family Education Loan Program (“FFELP”) Student Loans and rehabilitated FFELP loans. The Student Loan Backed Notes will be either Directly Placed Notes (“DPNs”) or Floating Rate Notes (“FRNs”), will bear interest on the basis of a fixed spread to LIBOR (as do the FFELP Loans to be financed) and will be issued on a taxable and/or tax-exempt basis. KHESLC’s Board of Directors has provided preliminary bond issuance authorization and approval of up to \$325 million FFELP loan backed bonds through June 30, 2020.	
<b>Proposed Date of Sale:</b>	Various dates on or prior to June 30, 2020	
<b>Proposed Date of Issue:</b>	Various dates on or prior to June 30, 2020	
<b>Rating (Anticipated):</b>	TBD	
<b>Estimated Net Proceeds For Project<sup>(1)</sup>:</b>	Estimated Net Proceeds	\$ 322,192,500
	Debt Service Reserve Fund	1,137,500
	<u>Cost of Issuance</u>	<u>1,670,000</u>
	Gross Proceeds	<b>\$ 325,000,000</b>
<b>Expected Initial Interest Rates<sup>(1)</sup>:</b>	One Month LIBOR + 0.75%	
<b>Length of Term<sup>(1)</sup>:</b>	Final Maturity Date: June 1, 2049	
<b>Gross Debt Service<sup>(1)</sup>:</b>	\$ 407,124,082	
<b>Average Annual Debt Service<sup>(1)</sup>:</b>	\$ 27,141,605	
<b>First Call:</b>	TBD	

(1) Assuming a single \$325,000,000 issuance, typical FFELP portfolio characteristics and current market conditions

<b>Method of Sale:</b>	DPNs: Direct Placed; FRNs: Negotiated
<b>Bond Counsel:</b>	Hawkins Delafield & Wood LLP
<b>Purchaser:</b>	For any DPNs, Bank of America, N.A. and/or an affiliate of Bank of America Corporation
<b>Purchaser's Counsel:</b>	For any DPNs, Chapman and Cutler LLP
<b>Underwriter:</b>	For any FRNs, Bank of America Merrill Lynch
<b>Underwriter's Counsel:</b>	For any FRNs, Kutak Rock LLP
<b>Financial Advisor:</b>	SL Capital Strategies LLC
<b>Trustee:</b>	TBD

**Kentucky Higher Education Student Loan Corporation (KHESLC)  
LIBOR Indexed Student Loan Backed Notes<sup>(1)</sup>**

Date	Annual Gross Debt Service		
	Interest	Principal	Total
6/23/2019	\$ -	\$ -	\$ -
6/1/2020	10,460,723	26,292,622	36,753,345
6/1/2021	11,164,468	27,182,442	38,346,910
6/1/2022	10,236,833	25,400,233	35,637,066
6/1/2023	9,051,413	28,612,467	37,663,880
6/1/2024	7,823,631	32,543,640	40,367,271
6/1/2025	6,632,070	31,354,823	37,986,893
6/1/2026	5,515,206	29,776,042	35,291,248
6/1/2027	4,408,742	28,230,802	32,639,544
6/1/2028	3,350,992	26,013,936	29,364,928
6/1/2029	2,471,670	17,784,205	20,255,875
6/1/2030	4,479,945	13,204,387	17,684,332
6/1/2031	3,407,678	12,708,872	16,116,550
6/1/2032	2,120,382	11,904,179	14,024,561
6/1/2033	937,042	10,723,330	11,660,372
6/1/2034	63,286	3,268,020	3,331,306
<b>Total</b>	<b>\$ 82,124,082</b>	<b>\$ 325,000,000</b>	<b>\$ 407,124,082</b>

(1) Assuming a single \$325,000,000 issuance, typical FFELP portfolio characteristics and current market conditions

## Preliminary New Bond Issue Report

Issue: Murray State University General Receipts Refunding Bonds, 2019 Series A in an estimated principal amount of \$4,300,000

Purpose of Issue: Bond proceeds will be used to 1.) currently refund certain outstanding Murray State University General Receipts Bonds, 2009 Series A; and 2.) pay associated costs of issuance.

Proposed Date of Sale: July 9, 2019  
Proposed Date of Delivery: August 8, 2019

Ratings:  
Moody's TBD

### **Sources:**

Par amount of bonds:	\$4,300,000.00
Premium:	\$173,405.70
Total Sources:	<hr/> \$4,473,405.70

### **Uses:**

Refunding Escrow Deposit:	\$4,361,235.98
Cost of Issuance:	\$58,419.72
Underwriter Discount:	\$53,750.00
Total Uses:	<hr/> \$4,473,405.70

All-in True Interest Cost:	2.694%
Final Maturity Date:	9/1/2028
Average Annual Debt Service:	\$548,235.06
Total Debt Service:	\$4,969,141.67
Average Life (years):	5.187

### **Refunding Summary:**

Bond Issue Being Refinanced:	See Summary of Bonds Refunded (attached)
Par Amount of Refunded Bonds:	\$4,275,000
Net PV Savings:	\$290,687
Percentage Savings of Refunded Bonds:	6.799%

Method of Sale:	Competitive
Bond Counsel:	Dinsmore & Shohl, LLP
Underwriter:	Hilliard Lyons A Baird Company
Trustee:	U.S. Bank

Based off cashflows as of 5/14/19  
*Preliminary Subject to Change*

**BOND DEBT SERVICE**

Murray State University General Receipts Bonds  
 Refunding of Series 2009  
 Tax-Exempt Refinancing

Dated Date 08/08/2019  
 Delivery Date 08/08/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
03/01/2020	70,000	3.000%	72,741.67	142,741.67	
06/30/2020					142,741.67
09/01/2020	420,000	3.000%	63,450.00	483,450.00	
03/01/2021			57,150.00	57,150.00	
06/30/2021					540,600.00
09/01/2021	425,000	3.000%	57,150.00	482,150.00	
03/01/2022			50,775.00	50,775.00	
06/30/2022					532,925.00
09/01/2022	440,000	3.000%	50,775.00	490,775.00	
03/01/2023			44,175.00	44,175.00	
06/30/2023					534,950.00
09/01/2023	455,000	3.000%	44,175.00	499,175.00	
03/01/2024			37,350.00	37,350.00	
06/30/2024					536,525.00
09/01/2024	470,000	3.000%	37,350.00	507,350.00	
03/01/2025			30,300.00	30,300.00	
06/30/2025					537,650.00
09/01/2025	480,000	3.000%	30,300.00	510,300.00	
03/01/2026			23,100.00	23,100.00	
06/30/2026					533,400.00
09/01/2026	495,000	3.000%	23,100.00	518,100.00	
03/01/2027			15,675.00	15,675.00	
06/30/2027					533,775.00
09/01/2027	515,000	3.000%	15,675.00	530,675.00	
03/01/2028			7,950.00	7,950.00	
06/30/2028					538,625.00
09/01/2028	530,000	3.000%	7,950.00	537,950.00	
06/30/2029					537,950.00
	4,300,000		669,141.67	4,969,141.67	4,969,141.67

**SAVINGS**

Murray State University General Receipts Bonds  
 Refunding of Series 2009  
 Tax-Exempt Refinancing

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 08/08/2019 @ 2.1447310%
06/30/2020	172,473.75	142,741.67	29,732.08	30,290.27
06/30/2021	570,132.72	540,600.00	29,532.72	28,644.44
06/30/2022	564,907.50	532,925.00	31,982.50	30,399.43
06/30/2023	568,322.50	534,950.00	33,372.50	31,080.70
06/30/2024	570,522.50	536,525.00	33,997.50	31,019.91
06/30/2025	567,022.50	537,650.00	29,372.50	26,236.13
06/30/2026	567,515.76	533,400.00	34,115.76	29,877.16
06/30/2027	566,700.00	533,775.00	32,925.00	28,252.33
06/30/2028	569,755.00	538,625.00	31,130.00	26,176.04
06/30/2029	571,760.00	537,950.00	33,810.00	27,865.67
	5,289,112.23	4,969,141.67	319,970.56	289,842.07

Savings Summary

PV of savings from cash flow	289,842.07
Plus: Refunding funds on hand	844.72
	290,686.79
Net PV Savings	290,686.79

**SUMMARY OF BONDS REFUNDED**

Murray State University General Receipts Bonds  
 Refunding of Series 2009  
 Tax-Exempt Refinancing

<b>Bond</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Par Amount</b>	<b>Call Date</b>	<b>Call Price</b>
Series 2009A, 2009A:					
BOND	09/01/2020	3.625%	405,000.00	09/01/2019	100.000
	09/01/2021	3.800%	415,000.00	09/01/2019	100.000
	09/01/2022	4.000%	435,000.00	09/01/2019	100.000
	09/01/2023	4.000%	455,000.00	09/01/2019	100.000
	09/01/2024	4.000%	470,000.00	09/01/2019	100.000
	09/01/2025	4.125%	490,000.00	09/01/2019	100.000
	09/01/2026	4.200%	510,000.00	09/01/2019	100.000
	09/01/2027	4.200%	535,000.00	09/01/2019	100.000
	09/01/2028	4.200%	560,000.00	09/01/2019	100.000
			4,275,000.00		