



NJEDA News
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NJEDA Achieves Record Issuance in 2016

In 2016, the New Jersey Educational Facilities Authority (the “EFA” or “Authority”) achieved a record volume of issuance on behalf of New Jersey’s colleges and universities with an aggregate total of \$1.35 billion in par value, with an average transaction size exceeding \$100 million. According to Thomson Reuters, the EFA was the nation’s third largest higher education conduit issuer in 2016. The Authority also topped the list of New Jersey issuers in number of transactions completed with 12 financings successfully closed on behalf of nine higher education institutions and two State-backed transactions. Remarking on this significant milestone for the EFA, Executive Director Jeremy Spector said, “This past year marked a tremendous record of achievement in fulfilling the Authority’s mission to support New Jersey higher education and the students served by our institutions. There is no better way to celebrate our record year than by affirming our commitment to providing the highest quality service to the State and its colleges and universities.”

Fueling the EFA’s record issuance was a sustained, near historic low interest rate environment throughout 2016, which allowed the Authority to achieve more than \$130 million in combined net present value savings for eight institutions using revenue refunding bonds. Reaching \$21.6 million in net present value savings through a refunding transaction, Lloyd Ricketts, Vice President and Treasurer of The College of New Jersey, said “The remarkable savings captured from this refunding will have a tremendous positive impact on the College and its continued financial strength and stability.” In addition, new money issuance totaling \$169.2 million allowed four New Jersey institutions to pursue various capital improvements on campus.

Working closely with the Secretary of Higher Education, the Authority also administers New Jersey’s Higher Education Capital Grant Programs. In addition to providing the administrative infrastructure for requisitioning and release of grant funds to institutions, the Authority issued new money bonds last year for the Capital Improvement Fund (CIF) and refunded prior outstanding CIF debt, generating \$12.5 million of savings to the State and participating institutions.

With a history of no defaults, EFA is the only issuer in the State that provides extensive experience in higher education finance and delivers the full spectrum of services specifically targeted to assisting institutions in meeting their capital needs and the maintenance of their debt portfolio. From low-cost financing options in the capital markets, to bond fund investment and management services, assistance with tax and securities law compliance, and administration of the State’s Higher Education Capital Grant Programs, the EFA is an important and valued partner with the State and its colleges and universities.

With 2017 well underway, the Authority anticipates closing four transactions by the first week in April totaling \$700 million in par value. Three of these transactions had refunding components which resulted in \$64 million in net present value savings to those institutions.
