

1 Mr. Case?

2 MR. CASE: Just one final point. Right today,
3 St. Mary's College is seeking to make a loan to finance
4 the construction of a new dormitory. If that loan were to
5 be limited to 25 years, I doubt very seriously that the
6 students who attend St. Mary's College could pay the rent
7 which would be required to fund those bonds. So, those
8 bonds would be considerably longer, probably 30 or maybe
9 even 35, depending upon what the bank has come up with
10 this week.

11 Under that context, these bonds would be
12 saleable. However, if the State could lend its credit,
13 just endorse the credit to this bond issue, it would reduce
14 the cost of borrowing by perhaps as much as 75 basis points
15 which, over the lifetime of the bond, would mean a material--
16 a meaningful, let me put it that way, a meaningful reduction
17 in the amount the students would have to pay for the rent
18 for the room that they will occupy at the college.

19 Therefore, it seems to me that this is really
20 the point Dr. Jenkins was making and, in this context, it
21 would seem that the first suggestion published by the