

NEWS



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CFC MAKES LARGEST SYNDICATED LOAN

WASHINGTON, D.C.—On April 22, CFC completed its largest-ever syndicated debt financing and in the process helped an electric cooperative save \$62 million. Sunflower Electric Power Corporation, a G&T serving six distribution cooperatives and 120,000 customers in 34 counties in western Kansas, closed Thursday on the \$213-million refinancing of RUS debt.

Sheldon C. Petersen, CFC Governor and CEO, stated, "This syndication demonstrates CFC's ability to provide innovative solutions to the financing needs of our members, including working with other private lenders to offer low-cost financing and help share the risk on larger loans."

CFC's loan was approximately \$138 million of longer-term debt. The syndication package, which included a private placement component, was oversubscribed and ultimately included two investors providing \$75 million of debt financing over a seven-year maturity.

The transaction, a refinancing that required RUS approval, effectively reduced Sunflower's interest rate by approximately 400 basis points and, according to Sunflower, will save about \$62 million in interest costs for the co-op over the full twelve-year term of the financing.

The G&T's CEO Designate, L. Earl Watkins, Jr., said, "For more than 40 years, Sunflower's goal has been to provide an adequate and reliable electric power supply at the lowest possible cost. This refinancing and the resulting interest savings will make it possible for Sunflower to maintain stable wholesale rates in western Kansas through the end of the decade, even while making significant capital improvements to the system."

The Sunflower syndicated loan with institutional investors was arranged by a CFC team that included John List, Senior Vice President, Member Services; Krishna Murthy, Vice President, Portfolio Management; and Andrew Don, Director of Loan Syndications.

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