

Corporate Trust Connection

Fall 2003

A Smart Idea

Serving the Education Market

Among the many and varied markets served by U.S. Bank Corporate Trust Services is the education market. Supporting financing strategies for education is crucial in order to help students prepare for the future and educational institutions to meet ongoing and anticipated needs.

The education market is currently being fueled by the increasing importance of college and post-graduate degrees in the job market. Advanced degrees and the rising cost of college tuition have increased the amount of student loan debt an average student graduates with today.

With more than 750 education-related customers in approximately 25 states, U.S. Bank Corporate Trust

Services plays a vital role in student loan securitizations and higher education facility revenue bonds throughout the country.

Revenue Bonds

U.S. Bank Corporate Trust Services serves the education market as trustee, paying agent and registrar for higher educational facility revenue bonds. "This type of financing allows colleges and universities to expand their facilities by utilizing a tax-exempt municipal financing structure," explains Susan Calise, vice president in the Boston, Mass. office.

Through this program colleges and universities are able to obtain long term debt financing, which typically is



assigned a much lower interest rate than loans made by commercial banks or lending institutions. The bond proceeds made available by these types of financings are used to make improvements to existing facilities, enabling the issuer to compete more aggressively for consumer dollars. On the flip side, investors or bondholders are drawn to purchase municipal bonds for the tax shelters

continued on page 4

What's inside

- 2 Spotlight on Saint Paul
- 3 New Locations

Did You Know...

The Government Finance Officers Association held its 97th Annual Conference in New York from May 18-21. Representatives from several U.S. Bank business groups attended, including Corporate Trust Services, Government Banking, Asset Management and Institutional Custody. A special highlight of the conference was a reception at the Metrazur restaurant in Grand Central Terminal, sponsored by U.S. Bank.

Conference attendees were able to enjoy all that New York has to offer, including several museums, a harbor cruise, tours of Manhattan and, of course, theater productions. The conference was again a success, and plans are already underway for next year in Milwaukee.

See page two for a list of upcoming conferences.

continued on page 2



Photo courtesy Saint Paul Convention and Visitors Bureau.

Photo courtesy Saint Paul Convention and Visitors Bureau.

U.S. Bank plays an important role in Saint Paul. Left to right, the Trust Center, the Science Museum of Minnesota and the Capitol.

Spotlight on the Saint Paul Office

Home of a world-class science museum and Minnesota Wild hockey, Saint Paul is also central to U.S. Bank Corporate Trust Services. The Saint Paul office administers a wide range of corporate trust services, among them – but not limited to – municipal and corporate financing, escrow and structured finance services.

The Muni/Corporate/Escrow Side

“The Saint Paul office acts as trustee, registrar and paying agents for a full range of municipal and corporate financings,” says Dennis Egan, Central regional manager. “We’re considered the hub of the Central region.”

There are 14 Account Managers in the Saint Paul office, with primary responsibility for municipal and corporate accounts. They are the face of corporate trust, according to Egan. “They’re the ones responsible for primary contact with our customers,” he says. “But we also have very talented people working behind the scenes to make sure we can offer our customers the very best products and services.”

Jim Ehrenberg, senior vice president, explains that the proportion of corporate issuances to other trust business is roughly 25% to 30%. “The group’s extensive experience – averaging 15 years – helps us maintain significant market share in the region,” he says. “We consistently rate No. 1 in terms of number of deals.”

One of the major deals closed earlier this year involved a \$300 million refinancing by the Trump Casino Hotels organization, according to Rick Prokosch. “We’ve also recently closed a \$140 million debt refinancing for another major hotel deal,” he says.

Escrow services also play an important role at the Saint Paul office. Corporate Trust Services acts as an escrow agent in a wide range of transactions, nationally and internationally. Saint Paul also specializes in collateral custody services.

Focus on Trust Review

The trust review group is also part of the Saint Paul office and is responsible for reviewing document compliance as well as ensuring that new accounts are accurately set up on all our systems, according to Barbara Quall, Central region trust review manager. “As a group, we have a lot of fun,” Quall says. “I think the spirit of camaraderie and the willingness to help each other out translates into enhanced service for our customers.”

Did You Know... continued from page 1

Other conferences where you’ll see U.S. Bank this fall:

California Public Finance (Bond Buyer)

Sept. 22-24
San Diego, Calif.

National Council of Health Facilities Finance Authorities and National Association of Higher Education Facilities Authority

Sept. 10-12
Boston, Mass.

Georgia Government Finance Officers Association (GFOA)

Sept. 28-Oct. 1
Savannah, Ga.

Information Management Network ABS East (IMN-ABS East)

Oct. 8-11
Boca Raton, Fla.

Central Association of College and University Business Officers (CACUBO)

Oct. 12-14
Columbus, Ohio

National Council of State Housing Authorities (NCSHA)

Oct. 25-28
Seattle, Wash.

The Structured Finance Side

Along with Saint Paul, the Chicago and Boston offices make up the Structured Finance Group. There are about 200 people in total, with 50 headquartered in Saint Paul.

“The Structured Finance group provides high-quality trust administration services for all types of structured transactions,” says Jeff Kerr, manager of the Structured Finance Group. “In Saint Paul, we primarily administer asset-backed securities. We’re a prominent player in equipment leases, home equity loans, credit card receivables, manufactured housing loans, franchise loans, life settlement, automobile loans and leases. And the State Street integration has substantially increased our mortgage-backed securitization business.

“We offer our customers professional experience in closing and administering complex structured finance transactions,” Kerr continues. “And, we provide flexibility of delivery and the best technology available for document negotiations. Our people have been at this a long time and have evolved along with the industry.”

A History of Service

“This is where it all began, with the old First Bank,” Egan says. “One of the strengths of the Saint Paul office and the Central region in general is our diversity. With people coming from different banks and different backgrounds, we can tap fresh ideas and integrate them into our experience. But size doesn’t really matter. What it all comes down to is the quality of personal service that we provide locally to our customers.”

Saint Paul is also the home to Document Custody Services, Trust Financial Management and various support services. Because of the large number of people at the Saint Paul office, we’re skipping the usual photo. However, if you’d like to meet us, please stop by if you’re in the area.

If you have questions about corporate trust services available in Saint Paul or elsewhere, please ask your Account Manager or visit usbank.com/corporatetrust.



Los Angeles, Saint Paul Offices Move

The Saint Paul and Los Angeles offices of U.S. Bank Corporate Trust Services moved to new locations in August in order to accommodate our growth and better serve our customers.



The Los Angeles Office

U.S. Bancorp signed a 12-year lease agreement for 165,000 square feet of space in the Library Tower, the tallest building west of the Mississippi and a landmark in the heart of the central business district of Los Angeles. The building will be renamed the U.S. Bank Tower. The new location will house the regional headquarters for Corporate Trust Services and other business lines of U.S. Bank serving Southern California.

The move demonstrates the commitment of U.S. Bancorp to Los Angeles. In other examples, U.S. Bancorp signed on as a signature sponsor of the Los Angeles Dodgers in 2002, and in the past two years U.S. Bank has opened branches in three inner city neighborhoods that had been underserved by the financial industry for years.

The Saint Paul Office

U.S. Bancorp erected two new office buildings that will be home to approximately 2,400 of its employees, including Corporate Trust Services, in the West River Flats area of Saint Paul. The new buildings boost local employment and are an integral part of the overall riverfront development in Saint Paul. They were developed in cooperation with the City of Saint Paul and the Riverfront Development Corporation. A model for energy conservation, the facilities feature a unique hot-water heating system and efficient lighting and electrical equipment designs.

Corporate Trust Administration, Trust Finance Management and Support Services will occupy the entire second and third floors, as well as a portion of the first floor, which will house our Bondholder Window.

In the neighborhood? Stop by our Los Angeles or Saint Paul office. We’d be proud to show you our new facilities.



U.S. Bank Corporate Trust Services

Saint Paul
60 Livingston Avenue
Saint Paul, MN 55107

Los Angeles
633 W. Fifth Street, 24th Fl.
Los Angeles, CA 90071

Education Market *continued from page 1*

offered. Tax-exempt municipal investments are especially attractive today as investors are looking for more stability.

Coast-to-Coast Student Loans

The Corporate Trust Services relationship with student loan securitization customers dates back to the 1970s. Today, Corporate Trust Services has student loan business across the country.

The St. Paul office of Corporate Trust Services has a long history of partnering with secondary markets to meet the financial needs of students. One of our customers, Student Loan Finance Corporation (SLFC), located in South Dakota, was a pioneer in student loan securitizations and today is a leader in the

industry. SLFC expects to issue approximately \$1 billion in debt this year. U.S. Bank not only serves as trustee to this valued customer, but also provides additional services, such as lock box processing, investment banking, custody services, and Treasury Management services, to meet their growing needs.



In Cincinnati, student loan customers account for a significant percentage of our corporate trust business. One of the largest Cincinnati customers is located in Waco, Texas, and generates between \$1 billion and \$2 billion per year of various forms of debt to finance its acquisitions and originations of student loans.

Student loan trust customers originate loans to students at schools but, more commonly, provide secondary market services for banks that participate in that industry. The Corporate Trust Services customer base includes many 501(3)(c) nonprofit organizations, privately held for-profit entities as well as publicly traded companies.

A Reputation You Can Trust

If you serve the education market, look into teaming up with U.S. Bank Corporate Trust Services for effective, cost-efficient solutions to debt administration. Talk to your Account Manager to see how we can find innovative answers for your needs.

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60 Livingston Avenue
EP-MN-WS3W
St. Paul, MN 55107