



PUBLIC

## Item 7: Subchapter M Refinancing Update

*Richard L. Scheel, CPA*  
Senior Vice President, Chief Financial  
Officer, and Chief Risk Officer

Finance and Audit Committee Meeting

September 22, 2025

- **Purpose**  
Update F&A Committee on Subchapter M refinancing.
- **For Information Only**  
No action is currently requested; for discussion only

### Key Takeaways

- The M Bonds were originally issued to Texas Treasury Safekeeping Trust Company on November 12, 2021 with a 2.97% interest rate until the three-year rate reset date.
- The three-year interest rate conversion on January 1, 2025 was reset to 6.07%.
- The refinancing of the Subchapter M bonds resulted in a savings of approximately \$60.6 million in interest and \$20.5 million for Supplemental Capital over the life of the Bonds.

## Series 2021 & 2025 Rates

	Series 2021 Original Issuance	Series 2021 Reset Rate	Series 2025
Original Balance	\$800M	\$383.3M	\$379.1M
Coupon Rate	2.97%	6.07%	5.147%
WAL at Issuance	16.71 yrs.	15.46 yrs.	14.69 yrs.
Expected Final Maturity	8/1/2049	8/1/2049	8/1/2049
Legal Final Maturity	8/1/2051	8/1/2051	8/1/2051
Interest	\$521.8	\$347.26M*	\$286.67M
Supplemental Capital Account	\$24M	\$24M	\$0

\* Starting 08/14/25 for comparison to the Series 2025 Bonds



# Thank you!

