NEW MEXICO FINANCE AUTHORITY

November 21, 2012

Re: NMFA Update on Department of Transportation GRIP Bonds – 2012A Refunding Bonds

- **$241,240,000** of Closed Lien and Senior Lien Bonds fixed rate NMDOT GRIP bonds will be refunded to generate approximately **$26.7 million** in net present value savings.

Maturity	Principal	Coupon	Bond Issue
06/15/2013	4,000,000	5.250%	2002C Closed Lien
06/15/2013	1,040,000	4.350%	2002C Closed Lien
06/15/2013	1,575,000	3.900%	2002D Closed Lien
06/15/2015	890,000	4.600%	2002C Closed Lien
06/15/2015	50,000	4.000%	2004A Senior Lien
06/15/2016	65,045,000	5.250%	2004A Senior Lien
06/15/2017	350,000	4.125%	2004A Senior Lien
06/15/2018	530,000	4.250%	2004A Senior Lien
12/15/2018	3,440,000	5.000%	2006A Senior Lien
06/15/2019	520,000	4.300%	2004A Senior Lien
12/15/2019	3,605,000	5.000%	2006A Senior Lien
06/15/2020	500,000	4.400%	2004A Senior Lien
12/15/2020	3,620,000	5.000%	2006A Senior Lien
06/15/2021	500,000	4.500%	2004A Senior Lien
12/15/2021	3,635,000	5.000%	2006A Senior Lien
06/15/2022	98,155,000	5.000%	2004A Senior Lien
06/15/2022	500,000	4.500%	2004A Senior Lien
12/15/2022	3,145,000	5.000%	2006A Senior Lien
06/15/2023	500,000	4.700%	2004A Senior Lien
12/15/2023	4,190,000	5.000%	2006A Senior Lien
06/15/2024	1,045,000	4.750%	2004A Senior Lien
12/15/2024	21,855,000	5.000%	2004A Senior Lien
12/15/2025	22,550,000	5.000%	2006A Senior Lien
Total	241,240,000	Bonds to be Refunded	

- The 2012A Senior Lien Bond issue will be rated AAA by Standard & Poor's and Aa1 by Moody's. The pricing date will be December 5, 2012 and the settlement date will be December 27, 2012. The bonds are callable on June 15, 2022. PFM are Financial Advisor to NMDOT. RBC is the senior manager and B of A Merrill Lynch and Wells Fargo Securities are the co-managers for the 2012A Senior Lien GRIP bonds.

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- Approximately **$213,815,000** in 2012A Refunding Bonds will be issued to provide upfront savings throughout the life of the refunded bonds – structure subject to change.

Maturity	Principal	Coupon	Bond Issue
06/15/2013	3,235,000	4.000%	2012A Senior Lien
06/15/2015	895,000	4.000%	2012A Senior Lien
06/15/2016	44,420,000	4.000%	2012A Senior Lien
06/15/2017	330,000	4.000%	2012A Senior Lien
06/15/2018	510,000	5.000%	2012A Senior Lien
06/15/2019	3,850,000	5.000%	2012A Senior Lien
06/15/2020	4,155,000	5.000%	2012A Senior Lien
06/15/2021	4,180,000	5.000%	2012A Senior Lien
06/15/2022	102,350,000	5.000%	2012A Senior Lien
06/15/2023	3,725,000	5.000%	2012A Senior Lien
06/15/2024	2,795,000	5.000%	2012A Senior Lien
06/15/2025	21,360,000	5.000%	2012A Senior Lien
06/15/2026	22,010,000	5.000%	2012A Senior Lien
Total	213,815,000	Refunding Bonds to be Issued	

- Sources and Uses of the 2012A Bond issue will be approximately as follows:

Sources:	**Par Amount**	213,815,000
	Premium	49,357,580
	Prior Principal Cash	3,307,500
	Total Sources	**266,480,080**
Uses:	**Escrow Defeasance Deposits**	265,270,006
	Cost of Issuance	1,210,074
	Total Uses	**266,480,080**

- Approximate annual savings to be generated are **$27,710,000**:

Fiscal Year	Savings	Fiscal Year	Savings
2013	1,182,000	2020	6,000
2014	1,717,000	2021	6,000
2015	1,762,000	2022	6,000
2016	21,215,000	2023	9,000
2017	137,000	2024	7,000
2018	139,000	2025	0
2019	1,521,000	2026	3,000