



OFFICE OF THE TREASURER-TAX COLLECTOR

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CHANGES IN ELIGIBLE CREDITS

In the month of October, there were three changes to the Treasurer's approved eligibility list:

- 1) **Sun Trust Bank** was added
- 2) **Syndicated Loan Funding Trust** was removed
- 3) **Triple-A One Funding** was removed

Please see the attached reports detailing the reasons the above actions were taken by the Treasurer.



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To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: October 17, 2005
Subject: SunTrust Bank

Rating: A-1+/P-1/F1+ AA-/Aa2/AA- B+ SunTrust Bank
A-1/P-1/F1 A+/Aa3/A+ STI

Exposure: County/Schools/XFund /JWA – None

Recommendation: Add to the CP/MTN and Domestic Bank Eligibility Lists

Rationale: Strong and improving credit; top US bank

Summary:

SunTrust Banks Inc. (STI) operates 1,700 bank branches across the southeast US. Headquartered in Atlanta, Georgia, STI offers retail and commercial banking, as well as trust services, credit cards, mortgage banking, mutual funds, insurance, equipment leasing, asset management, and securities underwriting and dealing. STI is the 7th largest US bank by total assets, ranking between US Bancorp (6th) and National City Corporation (8th).

SunTrust Bank is the principal bank subsidiary of STI. The bank benefits from its participation in high-growth markets, solid credit quality and reputation for conservative management. SunTrust has an important competitive advantage with small and medium sized commercial businesses in key markets, as those businesses typically require a local presence from their financial institution.

SunTrust Bank primarily issues certificates of deposit and commercial paper directly.

I recommend adding SunTrust Bank to the CP/MTN and Domestic Bank Eligibility List.



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To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: October 31, 2005
Subject: **Syndicated Loan Funding Trust**

Rating: NR// NR/Aa2/AA

Exposure: County/Schools/XFund /JWA – None

Recommendation: Remove from CP/MTN Eligibility List

Rationale: Program no longer issuing

Summary:

Syndicated Loan Funding Trust (Syndicated) is a bankruptcy remote Delaware statutory business trust. Lehman Commercial Paper Inc. entered the syndicated loan business in 1992 and serves as the asset manager for this trust. For some time now, we have observed the heavy use of cash equivalents for underlying assets as appropriate assets and spreads have been elusive. As a result, there are no plans to issue Syndicated after the last issue matured on September 22, 2005.

I recommend removing Syndicated from the CP/MTN Eligibility List.



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To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Kevin Lighter, Investment Assistant
Date: October 31, 2005
Subject: Triple-A One Funding Corp

Rating: A-1/P-1/NR NR///

Exposure: County/Schools/XFund /JWA – None

Recommendation: Remove from CP/MTN Eligibility List

Rationale: Tight credit link to MBIA

Summary:

Triple-A One Funding is a fully supported, multiseller ABCP program administered by MBIA Insurance Corporation (MBIA). Triple-A One purchases and provides secured loans against highly rated bank credit card-backed certificates, consumer and commercial receivable portfolios and other types of securities.

Some pools are quite large, however, with 72% of the conduit's assets considered MBIA's credit. A strength of the program is its administrator, MBIA, a highly rated, leading provider of insurance for municipal, asset- and mortgage-backed, and stable corporate bonds. Even so, effectively keeping MBIA as an approved credit presents some problems at this time.

MBIA's parent MBIA Inc. is currently under investigation by U.S. and New York prosecutors for not fully disclosing its investment risk associated with its Capital Asset Research purchase. Moreover, recent management actions including a share buyback and insuring a subsidiary's bonds while subject to these regulatory probes call MBIA's suitability into question.

Given the strong link to MBIA and the highly confidence sensitive nature of the financial guarantor business, I recommend removing Triple-A One Funding from the CP/MTN Eligibility List.