

HALL OF FINANCE & RECORDS
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CHANGES IN ELIGIBILE CREDITS

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

The following were added to the CP/ MTN Eligibility list:

- 1) Wal-Mart Funding Corp.
- 2) Southern Company Funding Corp.
- 3) Bank of America Corp.

The following was removed from the CP/ MTN Eligibility list:

4) Eiffel Funding LLC

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: July 24, 2006

Subject: Wal-Mart Funding Corp. (WFC)

Ratings: A-1+/P-1/NR

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Add Wal-Mart Funding Corp. to CP/MTN Eligibility List

Rationale: Supported and administered by top U.S. corporate credit

and adds to our ability to diversify

Summary:

Wal-Mart Stores, Inc. is the largest retailer in the world, with more than 6,000 stores worldwide. Wal-Mart Funding Corporation (WFC) is a fully supported, single seller asset-backed commercial paper program, formed by Wal-Mart Stores, Inc. to provide additional sources of funding for its general working capital requirements. There is no credit enhancement to this conduit; however, Wal-Mart Stores, Inc. provides a swing-line advance to WFC in an amount to pay maturing commercial paper. If there are insufficient funds available, Wal-Mart Stores, Inc. is obligated to pay in full, the remaining maturing commercial paper through a put notice.

The credit rating of this conduit is very closely aligned with the short term rating of Wal-Mart Stores and the rating of any hedge counterparty, presently Credit Suisse First Boston. Both Wal-Mart Stores and Credit Suisse First Boston are rated A-1+/P-1/F1+ and have stable outlooks.

I recommend adding Wal-Mart Funding Corp. to the CP/MTN Eligibility List.

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Subject: Southern Company Funding Corp. (SCFC)

Treasury Investment Committee

John Byerly, Financial Analyst

Ratings: A-1/P-1/NR

Exposure: County/Schools/X-Fund/JWA: None

July 24, 2006

Recommendation: Add SCFC to CP/MTN Eligibility List

Rationale: Another funding source for approved Southern Co.

Summary:

Southern Company Funding (SCFC), a Delaware Corporation, is a wholly owned subsidiary of the Southern Company. SCFC's only activity is to provide short term financing for six operating companies of Southern Company:

Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, Savannah Electric and Power Company, and Southern Electric Generating Company

Southern does not issue commercial paper beyond the level of its committed back-up credit facilities, which was \$3.4 billion of bank credit agreements as of December 2005.

Recent commercial paper outstandings reached \$1.3 billion, more than half of which was issued by SCFC. This issuer name supports our ability to purchase Southern Company debt.

I recommend adding Southern Company Funding Corp. to the CP/MTN Eligibility List.



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To: Treasury Investment Committee

From: John Byerly, Senior Financial Analyst

Date: July 31, 2006

Subject: Bank of America Corp. (BAC) **Ratings:** A-1+/P-1/F1+ AA-/Aa2/AA-

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Add BAC to CP/MTN Eligibility List

Rationale: Top U.S. bank holding company & parent of approved

issuer Bank of America, NA (AA/Aa1/AA)

Summary:

Incorporated in 1998 as part of the merger of BankAmerica Corp. with Nation'sBank Corp., BAC now operates through four business segments: Global Consumer & Small Business Banking (51% of 2005 revenue), Global Business & Financial Services (20%), Global Capital Markets & Investment Banking (16%), and Global Wealth & Investment Management (13%).

BAC has the largest branch network in the United States. Asset quality therefore benefits from geographical diversity as well as a good mix of commercial and consumer segments. BAC profitability and liquidity measures are also strong. Parent company liquidity is solid with high quality investments exceeding all CP and other short-term borrowings. Moreover, BAC can meet more than 2 years of maturing liabilities before needing to take dividends from subsidiaries.

Indeed, BAC's successful performance, bolstered by its unique nationwide footprint, was recognized by S&P's LT ratings upgrade on February 1, 2005.

I recommend adding Bank of America Corp. to the CP/MTN Eligibility List.

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To: Treasury Investment Committee **From:** John Byerly, Financial Analyst

Date: July 10, 2006

Subject: Eiffel Funding LLC

Ratings: A-1/P-1/NR

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Remove Eiffel from the CP/MTN eligibility list

Update:

Eiffel Funding LLC (Eiffel) was a partially supported, multiseller ABCP program, sponsored and administrated by IXIS Financial Products, headquartered in New York. IXIS FP is an indirect wholly owned subsidiary of Caisse Des Dépôts et Consignations (CDC) headquartered in Paris, France. CDC serves as the French Republic's investment bank and oversees tax-exempt savings funds collected by savings banks and the post office.

As of June 30, 2006, Ixis FP completed the transfer of Eiffel assets into a new conduit, Versaille CDS, and will no longer issue Eiffel CP. Therefore, Eiffel has been removed from the CP/MTN Eligibility List.

We will discuss the addition of Versaille CDS over the coming weeks.

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