OFFICIAL STATEMENT ADDENDUM DATED SEPTEMBER 22, 2004

$285,000,000
STATE OF ILLINOIS
GENERAL OBLIGATION BONDS,
SERIES OF SEPTEMBER 2004

Dated: Date of Issuance | Due: September 1, as shown below

The purpose of this Official Statement Addendum is to set forth the details of sale of the $285,000,000 General Obligation Bonds, Series of September 2004 (the *"Bonds"*), sold by the State of Illinois (the *"State"*) on September 22, 2004. The Bonds will mature on September 1 of each of the years, in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST	YIELD	YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST	YIELD
2005	$11,400,000	6.00%	1.600%	2018	$11,400,000	5.00%	3.910%
2006	11,400,000	5.50%	1.855%	2019	11,400,000	5.00%	4.000%
2007	11,400,000	5.00%	2.060%	2020	11,400,000	5.00%	4.090%
2008	11,400,000	5.00%	2.360%	2021	11,400,000	5.00%	4.180%
2009	11,400,000	5.00%	2.690%	2022	11,400,000	4.50%	4.370%
2010	11,400,000	5.00%	2.860%	2023	11,400,000	5.00%	4.330%
2011	11,400,000	5.00%	3.050%	2024	11,400,000	4.50%	4.550%
2012	11,400,000	5.00%	3.220%	2025	11,400,000	5.00%	4.470%
2013	11,400,000	5.00%	3.370%	2026	11,400,000	5.00%	4.550%
2014	11,400,000	5.00%	3.500%	2027	11,400,000	5.00%	4.620%
2015	11,400,000	5.00%	3.610%	2028	11,400,000	5.00%	4.650%
2016	11,400,000	5.00%	3.700%	2029	11,400,000	5.00%	4.670%
2017	11,400,000	5.00%	3.820%				

Payment of the principal of and interest on the Bonds due on September 1, 2022 and 2025 through 2029, inclusive (collectively, the *"Insured Bonds"*), when due will be guaranteed by a municipal bond insurance policy issued by MBIA Insurance Corporation simultaneously with the delivery of the Bonds. See "BOND INSURANCE" herein.

The Preliminary Official Statement of the State, dated September 9, 2004, related to the Bonds, which was deemed final by the State (the *"Deemed Final Official Statement"*), is incorporated herein and made a part hereof. The Final Official Statement of the State relating to the Bonds (as that term is defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Act of 1934, as amended) shall consist of the Deemed Final Official Statement and this Addendum. Reference is made to the Deemed Final Official Statement for a description of all other terms and provisions of the Bonds not described herein and for the definition of all capitalized terms not defined herein.

For further information with respect to the Bonds, please contact the Governor's Office of Management and Budget of the State at (217) 782-4520.

APPLICATION OF BOND PROCEEDS

The Bond proceeds will be applied approximately as set forth below:

Sources	
Par Amount	$285,000,000
Net Reoffering Premium	21,123,630
	$306,123,630
Uses	
Authorized Projects	$305,111,880
Costs of Issuance	249,375
Underwriter's Discount	544,175
Bond Insurance Premium	218,200
	$306,123,630

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on September 1, 2024 (the *"Discount Bonds"*), is less than the principal amount payable at maturity. The difference between the Issue Price (defined below) of the Discount Bonds and the principal amount payable at maturity is original issue discount. The issue price (the *"Issue Price"*) of the Discount Bonds is the price at which a substantial amount of the Discount Bonds is first sold to the public. The Issue Price of the Discount Bonds is expected to be the amount set forth on the cover page hereof, but is subject to change based on actual sales.

For an investor who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Bond to its stated maturity, subject to the condition that the State complies with the covenants discussed in the Deemed Final Official Statement under the heading "THE OFFERING—Tax Matters", (a) the full amount of original issue discount with respect to such Bond constitutes interest which is not includable in the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described in the Deemed Final Official Statement under the heading "THE OFFERING—Tax Matters"; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year.

If a Bond issued with original issue discount is purchased at any time for a price that is less than such Bond's Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased such Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Such treatment would apply to any purchaser who purchases such Bond for a price that is less than its Revised Issue Price.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Bonds issued with original issue discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Bonds.

BOND INSURANCE

The Underwriter (as defined below under the heading "UNDERWRITING") has contracted with MBIA Insurance Corporation (the *"Insurer"* or *"MBIA"*) for the issuance by the Insurer of a municipal bond insurance policy (the *"Policy"*) insuring the payment of the principal of and interest on the Insured Bonds when due. The information appearing in the following paragraphs under this heading has been furnished by the Insurer for use in this Official Statement. Reference is made to *Appendix B* for a specimen of the Policy.

The Policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the State to the State Treasurer, as paying agent for the Bonds (the *"Paying Agent"*) or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on the Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by The Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration), and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a *"Preference"*).

The Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bonds. The Policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. The Policy also does not insure against nonpayment of principal of or interest on the Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a Bond the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Bonds or presentment of such other proof of ownership of the Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Bonds as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Bonds in any legal proceeding related to payment of insured amounts on the Bonds, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

MBIA

MBIA is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the *"Company"*). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the State of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates. Additionally, MBIA is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the policy and MBIA set forth under the heading "BOND INSURANCE." Additionally, MBIA makes no representation regarding the Bonds or the advisability of investing in the Bonds.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA INFORMATION

The following documents filed by the Company with the Securities and Exchange Commission (the *"SEC"*) are incorporated herein by reference:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 2003; and

(2) The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.

Any documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, after the date of this Official Statement and prior to the termination of the offering of the Bonds offered hereby shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2003, and (2) the Company's Quarterly Report on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004) are available (i) over the Internet at the SEC's web site at http://www.sec.gov; (ii) at the SEC's public reference room in Washington D.C.; (iii) over the Internet at the Company's web site at http://www.mbia.com; and (iv) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2003, MBIA had admitted assets of $9.9 billion (audited), total liabilities of $6.2 billion (audited), and total capital and surplus of $3.7 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of June 30, 2004, MBIA had admitted assets of $10.5 billion (unaudited), total liabilities of $6.7 billion (unaudited), and total capital and surplus of $3.8 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

FINANCIAL STRENGTH RATINGS OF MBIA

Moody's Investors Service, Inc. (*"Moody's"*) rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (*"S&P"*), rates the financial strength of MBIA "AAA."

Fitch Ratings (*"Fitch"*) rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. MBIA does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

FORM OF APPROVING LEGAL OPINION

The form of the unqualified approving opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, is contained in *Appendix A* hereto.

UNDERWRITING

The Bonds have been purchased by Citigroup Global Markets Inc. (the *"Underwriter"*) at an aggregate purchase price of $305,111,880. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices set forth in the table above. After the initial public offering, the public offering price may be changed from time to time by the Underwriter.

RATINGS

Moody's , S&P and Fitch have assigned ratings of "Aa3", "AA" and "AA", respectively, to the Bonds (other than the Insured Bonds), confirming their existing ratings on outstanding general obligation bonds of the State. The S&P rating carries a "negative" credit outlook for possible downgrade.

Moody's, S&P and Fitch have assigned ratings of "Aaa", "AAA" and "AAA", respectively, to the Insured Bonds with the understanding that upon delivery of the Insured Bonds, the Policy will be issued by the Insurer.

Any explanations of the significance of such ratings may be obtained only from the respective rating agency. Generally a rating agency bases its rating on information and materials supplied to it, some of which are not contained herein, and on investigations, studies and assumptions of its own. The ratings are not a recommendation to buy, sell or hold any Bonds and the ratings and the Bonds should be evaluated independently. The ratings are subject to change or withdrawal at any time and any such change or withdrawal may affect the market price or marketability of the Bonds. The State and the Underwriter have undertaken no responsibility either to bring to the attention of the beneficial owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal, but as described in the Deemed Final Official Statement under the heading "THE OFFERING—Continuing Disclosure", the State has undertaken to give certain notices of any change in any rating that relates to the Bonds or the State that could affect the value of the Bonds.

FINANCIAL ADVISOR

Kirkpatrick Pettis, Chicago, Illinois has served as Financial Advisor to the State with respect to the issuance of the Bonds.

AUTHORIZATION

The State has authorized the distribution of this Final Official Statement. At the time of delivery of the Bonds, the State will furnish a certificate executed by the Director of the Governor's Office of Management and Budget of the State stating that to the best of his knowledge the Preliminary Official Statement did not (as of the date of sale of the Bonds to the Underwriter) and the Final Official Statement does not (as of the date of delivery of the Bonds) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

/s/ John B. Filan

Director of the Governor's Office of Management and Budget of the State of Illinois

Dated: September 22, 2004

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APPENDIX A
FORM OF APPROVING OPINION OF
CHAPMAN AND CUTLER LLP, BOND COUNSEL

[Date of Issuance of Bonds]

We hereby certify that we have examined a certified copy of the proceedings of the Governor of the State of Illinois (the *"State"*) and the Director of the Governor's Office of Management and Budget of the State authorizing the issue by the State of its fully registered $285,000,000 General Obligation Bonds, Series of September 2004 (the *"Bonds"*), dated the date hereof. The Bonds mature on September 1 of each of the years, in the amounts and bear interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST	YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2005	$11,400,000	6.00%	2018	$11,400,000	5.00%
2006	11,400,000	5.50%	2019	11,400,000	5.00%
2007	11,400,000	5.00%	2020	11,400,000	5.00%
2008	11,400,000	5.00%	2021	11,400,000	5.00%
2009	11,400,000	5.00%	2022	11,400,000	4.50%
2010	11,400,000	5.00%	2023	11,400,000	5.00%
2011	11,400,000	5.00%	2024	11,400,000	4.50%
2012	11,400,000	5.00%	2025	11,400,000	5.00%
2013	11,400,000	5.00%	2026	11,400,000	5.00%
2014	11,400,000	5.00%	2027	11,400,000	5.00%
2015	11,400,000	5.00%	2028	11,400,000	5.00%
2016	11,400,000	5.00%	2029	11,400,000	5.00%
2017	11,400,000	5.00%			

the Bonds maturing on and after September 1, 2015, being callable for redemption at the option of the State as a whole, or in part in integral multiples of $5,000 from such maturities as may be selected by the State (less than all of the Bonds of a single maturity to be selected by lot by the bond registrar), on September 1, 2014, and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

We are of the opinion that such proceedings show lawful authority for said issue under the laws of the State now in force.

We further certify that we have examined form of Bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the State, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion, and constitutes a direct, general obligation of the State, for the prompt payment of which, both principal and interest as the same become due, the full faith and credit of the State have been validly pledged.

It is our opinion that, subject to the State's compliance with certain covenants, under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such State covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

In rendering this opinion, we have relied upon certifications of the State with respect to certain material facts solely within the State's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX B

Specimen of Insurance Policy

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MBIA

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation

SPECIMEN

____
President

Attest: ______________________________
Assistant Secretary

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