



**Maryland State Treasurer's Office
Nancy K. Kopp, Treasurer**

NEWS RELEASE

FOR IMMEDIATE RELEASE

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**Maryland Has Successful Sale of
\$777.2 Million in General Obligation Bonds**

ANNAPOLIS (March 4, 2020) – Maryland State Treasurer Nancy K. Kopp announced that the Board of Public Works (BPW), composed of Governor Larry Hogan, Treasurer Nancy Kopp, and Comptroller Peter Franchot, completed the sale of \$777,230,000 of General Obligation bonds earlier this morning.

Competitive sales for the bonds occurred at today's BPW meeting. Series A was divided into two bidding groups, with the State receiving six bids for the \$245,055,000 of Tax-Exempt General Obligation Bonds (Series A Bidding Group 1) and six bids for the \$249,945,000 of Tax-Exempt General Obligation Bonds (Series Bidding Group 2). The State also received eight bids for the \$50,000,000 of Taxable General Obligation Bonds (Series B) and six bids for the \$232,230,000 (resized amount) of Tax-Exempt Refunding Bonds (Series C).

In today's competitive sales:

- \$245,055,000 in Tax-Exempt Bonds (Series A Bidding Group 1), with maturities from 2024 – 2030, sold at an all-in true interest cost of 0.894%; the winning bidder was Morgan Stanley and the premium was \$72,277,923;
- \$249,945,000 in Tax-Exempt Bonds (Series A Bidding Group 2), with maturities from 2031 – 2035, sold at an all-in true interest cost of 1.852%; the winning bidder was Morgan Stanley and the premium was \$78,266,664;

- \$50,000,000 in Taxable Bonds (Series B) sold at an all-in true interest cost of 0.927% and the winning bidder was Wells Fargo Bank;
- \$232,230,000 in Tax-Exempt Refunding Bonds (Series C), with maturities from 2020 – 2026, sold at an all-in true interest cost of 0.733%; the winning bidder was Bank of America Merrill Lynch; and the debt service savings, on a present value basis, is estimated to be \$23,469,143; and
- The all-in true interest cost for the overall sale of the \$777,230,000 in Bonds was 1.389%.

Treasurer Kopp commented, “This really is an extraordinary sale and a win for all Marylanders. Despite significant uncertainty in global markets, investors showed that they believe Maryland’s dynamic economy, highly educated workforce, above-average wealth and history of prudent fiscal management make Maryland’s bonds the highest quality and safest investment possible. The confidence that investors have in Maryland’s fiscal stability, along with the State Treasurer’s Office’s innovative and carefully managed approach to bond offerings, has resulted in historically low borrowing costs that will save Maryland residents millions of dollars and allow them to reap the benefits of new investments in Maryland’s schools, colleges, hospitals, and other vital public projects. The refunding bonds also generated over \$23 million in present value savings – that is pure profit for the people of the State of Maryland.”

Maryland is one of only thirteen states to hold the AAA rating, the highest possible rating, from all three major bond rating agencies. The AAA rating was recently affirmed by Fitch Ratings, Moody’s Investors Service, and S&P Global Ratings in anticipation of this bond sale.

The Maryland State Treasurer’s Office expects to conduct another bond sale later this year.

