



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

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**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

**CONTACT:**

**Christian Lund  
410-260-7920**

**Maryland Has Successful Sale of \$475 Million in General Obligation Bonds**

ANNAPOLIS (February 24, 2021) – Maryland State Treasurer Nancy K. Kopp announced that the Board of Public Works (BPW), composed of Lieutenant Governor Boyd Rutherford (sitting in today for Governor Lawrence Hogan), Treasurer Nancy Kopp, and Comptroller Peter Franchot, completed the sale of \$475.0 million of General Obligation bonds earlier this morning. The overall interest rate for the bonds was 1.599%, which places it near all-time lows, despite modest increases in municipal bond yields over the last two weeks. The bonds also generated \$135.4 million in bond premium which will be used to support various capital costs.

Treasurer Kopp commented, “This is an outstanding outcome and a win for all Marylanders. Despite pandemic-induced fiscal challenges with which the State continues to grapple, investors have shown that they believe Maryland’s dynamic economy, highly educated workforce, above-average wealth and history of prudent fiscal management still make Maryland’s bonds the highest quality and safest investment possible. The confidence that investors have in Maryland’s fiscal resilience and its ability to weather this crisis, along with the State Treasurer’s Office’s creative and carefully managed approach to bond offerings, has resulted in low borrowing costs for funds that will finance investments in Maryland’s schools, colleges, hospitals, and other vital public infrastructure projects.”

“However, we must not forget why interest rates remain so low – we are still in the midst of a global pandemic, with many of our residents simultaneously dealing with a deadly virus, a terrible jobs crisis, and food and housing insecurity. As we move towards recovery, we must continue to maintain and enhance measures to support vulnerable Marylanders, as the State has done with the RELIEF Act, and

as we hope that the Federal government will do by passing the relief bill currently moving through Congress,” she concluded.

At today’s BPW meeting, the sale for Series A was divided into two bidding groups, with the State receiving six bids for the \$207.5 million of Tax-Exempt General Obligation Bonds (Series A Bidding Group 1) and four bids for the \$217.5 million of Tax-Exempt General Obligation Bonds (Series A Bidding Group 2). The State also received eight bids for the \$50.0 million of Taxable General Obligation Bonds (Series B).

In today’s competitive sales:

- \$207.5 in Tax-Exempt Bonds (Series A Bidding Group 1), with maturities from 2025 – 2031, sold at an all-in true interest cost of 0.931%; the winning bidder was Bank of America Merrill Lynch and the premium was \$61.0 million;
- \$217.5 million in Tax-Exempt Bonds (Series A Bidding Group 2), with maturities from 2032 – 2036, sold at an all-in true interest cost of 2.032%; the winning bidder was Bank of America Merrill Lynch and the premium was \$74.5 million;
- \$50.0 million in Taxable Bonds (Series B), with maturities from 2024 – 2025, sold at an all-in true interest cost of 0.503%; the winning bidder was Wells Fargo, National Association; and
- The all-in true interest cost for the overall sale of the \$475.0 million in bonds was 1.599%.

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 in the summer of 2021.

