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NEWS RELEASE

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Maryland Holds Successful Sale of \$1.05 Billion in General Obligation Bonds

Sale bolsters confidence in State's financial management

ANNAPOLIS (June 8, 2022) – During Wednesday's meeting of the Board of Public Works (BPW), Treasurer Dereck E. Davis announced that the State had sold \$1.05 billion of General Obligation Bonds. All three members of BPW – Lieutenant Governor Boyd K. Rutherford, representing Governor Lawrence J. Hogan Jr., Comptroller Peter V.R. Franchot, and Treasurer Davis – voted to approve the sale. The bonds generated \$169.7 million in net bond premium with an overall interest rate for the bonds of 2.92%.

“We knew heading into the sale that Maryland would receive a strong reception in the market, but the number and quality of bids exceeded our already-high expectations,” said Treasurer Davis. “The bond proceeds from today's sale will be used to support important capital projects, as well as a portion of the State's debt service. Despite an ever-changing economic climate, Maryland continues to demonstrate agility and strength in its fiscal management.”

Series A Tax-Exempt Bonds were sold in three bidding groups: \$335.2 million (Group 1), \$261.8 million (Group 2), and \$303.0 million (Group 3). The State also received bids for \$150.0 million of Series B Taxable Bonds. All of the sales were done on a competitive basis.

In today's sales, the State first received nine bids for Group 1 of its Series A Bonds with maturities from 2027-2031. Morgan Stanley & Co., LLC submitted the successful bid with a true interest cost of 2.33% and a net premium of \$58.9 million. The State then received six bids for Group 2 of its Series A Bonds with maturities from 2032-2034. BofA Securities' bid with a true interest cost of 2.83% and a net premium of \$53.3 million was accepted by the State. For Group 3 of its Series A Bonds with maturities from 2035-2037, the State received six bids. BofA Securities was selected

as the winning bidder based on its bid with a true interest cost of 3.30% and \$57.5 million in net premium. For the sale of \$150.0 million in Series B Taxable Bonds with maturities from 2025-2027, the State received eight bids and selected Wells Fargo Bank, National Association for its bid with a true interest cost of 3.18%.

The results of the sale underscore the recent news that the three major rating agencies have reaffirmed Maryland's AAA rating. The State remains one of only 13 states to retain the highest possible rating from Fitch Ratings, Moody's Investors Service, and S&P Global Ratings.

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