



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

NEWS RELEASE

FOR IMMEDIATE RELEASE

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**Maryland Sells \$738.4 Million
In General Obligation Bonds**

ANNAPOLIS (March 7, 2012) – Maryland State Treasurer Nancy K. Kopp announced that the Board of Public Works (BPW), comprised of Governor Martin O'Malley, Comptroller Peter Franchot and Treasurer Kopp, completed the sale of \$738,380,000 of General Obligation bonds today in three series, including the direct retail sale of \$56.1 million of Series A bonds which sold on March 2 and 5 exclusively to retail investors and with first priority to Maryland citizens.

Treasurer Kopp said, "The State of Maryland was very successful in today's sale of General Obligation bonds, achieving an interest rate that is the second lowest for the State since at least 1988. This low interest rate means that Maryland's schools, colleges, hospitals, prisons and cultural projects can be built now at an unusually reduced cost. It is also good news that all Marylanders who wanted to do so were able to buy the State's high-quality bonds during the retail sale. Their investment in Maryland in turn will allow Maryland to invest in projects that benefit communities throughout the State."

Competitive sales for Series B and Series C occurred at today's BPW meeting. The State received bids for the \$543,915,000 of Tax-Exempt Bonds (First Series B) and the \$138,380,000 of Tax-Exempt Refunding Bonds (First Series C). The First Series C Refunding Bonds will reduce the State's interest cost by \$10.2 million.

The direct retail bond sale (Series A), conducted through a group of underwriters led by Merrill Lynch, Pierce, Fenner & Smith, Inc. carried a true interest rate of 2.18%. The net premium was \$6,388,189.

In the competitive sales, \$543.9 million in tax-exempt bonds in Series B sold at a true interest cost of 2.42%; the winning bidder was Bank of America Merrill Lynch and the net premium was \$65,877,898. \$138.4 million of Series C sold at a true interest cost of 1.69%; the winning bidder was Bank of America Merrill Lynch and the net premium was \$23,310,343. There were 5 bidders on both Series B and Series C.

“Today’s results were very satisfying. Again, Maryland’s Triple AAA-rated bonds drew significant interest—and a very favorable low interest rate. Maryland taxpayers benefit not only from saving millions of dollars because of the State’s low interest rates, but also from the investment in our infrastructure, including an estimated \$350 million in schools, colleges and universities,” Treasurer Kopp said.

Maryland is one of only eight states to currently hold the AAA rating, the highest possible rating, from all three bond rating agencies. The triple AAA was affirmed as recently as February 22, 2012, in anticipation of this bond sale.

The Maryland State Treasurer’s Office expects to conduct another bond sale in late July 2012.
