



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

NEWS RELEASE

FOR IMMEDIATE RELEASE

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**Maryland Has Successful Sale of
\$665 million In General Obligation Bonds**

ANNAPOLIS (March 6, 2013) – Maryland State Treasurer Nancy K. Kopp announced that the Board of Public Works (BPW), composed of Governor Martin O'Malley, Comptroller Peter Franchot and Treasurer Kopp, completed the sale of \$665,135,000 million of General Obligation bonds today in two series.

Treasurer Kopp said, "The State of Maryland was very successful in today's sale of General Obligation bonds, achieving a very favorable interest rate of 2.333%. This low interest rate means that Maryland's schools, colleges, hospitals, prisons and cultural projects can be built at an unusually reduced cost. This is good news for the taxpayers of Maryland."

Competitive sales for Series A and Series B occurred at today's BPW meeting. The State received bids for the \$500,000,000 of Tax-Exempt Bonds (Series A) and the \$165,135,000 of Tax-Exempt Refunding Bonds (Series B). The Series B Refunding Bonds will reduce the State's debt service costs by approximately \$8 million.

In today's competitive sales:

- \$500 million in tax-exempt bonds in Series A sold at a true interest cost of 2.333%; the winning bidder was Citigroup Global Markets Inc. and the net premium was \$79,378,441.**

- **\$165,135,000 of Series B refunding bonds sold at a true interest cost of 1.087%; the winning bidder was J.P. Morgan Securities LLC and the net premium was \$33,533,378.**

There were six bidders on Series A and Series B.

“Today’s results were very satisfying. Despite the uncertainty at the federal level and the greater impact that sequestration and federal budgetary constraints can have on Maryland, the market recognized the top quality of Maryland’s Triple AAA-rated debt. There was high demand, and the sale resulted in a very favorable and 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 that the bond proceeds provide.”

Maryland is one of only nine 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 26, 2013, in anticipation of this bond sale.

The Maryland State Treasurer’s Office expects to conduct another bond sale in July or August 2013.
