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

NEWS RELEASE

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ANNAPOLIS (December 10, 2009) – Maryland State Treasurer Nancy K. Kopp announced that the State of Maryland has saved nearly $25 million through the negotiated sale of $602,765,000 in General Obligation tax-exempt refunding bonds.

The State Treasurer's Office led the refinancing of previously issued higher interest bonds with lower rates, much as individual homeowners refinance mortgages when rates move lower.

On December 7 and 8, the State Treasurer's Office, working with a group of 25 investment banking firms, offered Maryland citizens first priority on the refunding bonds in a retail-only period. On December 9, the bonds were sold to all investors, including institutions, again in a negotiated sale.

Treasurer Kopp said, "Again, Triple AAA-rated bonds proved very attractive to individual and institutional investors alike. We moved quickly to take advantage of favorable market conditions after postponing this sale at the October 21, 2009 Board of Public Works meeting. Governor O'Malley, Comptroller Franchot and I are pleased that we were able to generate excellent savings for Maryland taxpayers."

When the Board of Public Works decided to postpone the sale, it authorized the Treasurer to conduct a negotiated sale whenever the market was favorable for sale of the refunding bonds. The maturity range was 2015 through 2020. For Maryland residents, the bonds are exempt from local, State and federal taxes.

The State Treasurer's Office plans to conduct its next General Obligation bond sale in late February-early March 2010.

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