



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

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## **UPDATE**

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### **Maryland Maintains AAA Rating from Moody's Outlook Remains Negative**

ANNAPOLIS (December 7, 2011) – Moody's Investors Service has issued an assessment today of the ratings outlook for the five Aaa-rated states (MD, VA, TN, SC and NM) and the 161 Aaa local governments that were previously identified as indirectly linked to the U.S. government. Moody's had assigned a negative outlook to these issuers on August 4, 2011, following the August 2<sup>nd</sup> assignment of a negative outlook to the Aaa-rated U.S. government.

Moody's stated, "The outlooks of Maryland, New Mexico and Virginia remain negative due to high concentrations of federal government employment and federal procurement." As to the other two states, Moody's indicated, "The outlooks of South Carolina and Tennessee were revised to stable to reflect their relatively lower levels of financial and economic exposure to the U.S." The assessment quotes Nick Samuels, Vice President for Moody's, when noting "Maryland, New Mexico and Virginia have economies that are highly dependent on federal employment and federal spending. As a result, they are exposed to the risks posed by federal downsizing and spending cuts."

Treasurer Nancy K. Kopp stated, "We recognize and appreciate Moody's continued wait-and-see approach, as we all watch the Congress and the President struggle to tackle the federal budget and debt issues. I am proud that Maryland retains its triple A status from all three rating agencies and confident that Maryland will persist, as we always have, in following a fiscally responsible and prudent course."

The State Treasurer's Office has been and will continue to be in contact with Moody's and the other two rating agencies to emphasize the qualitative evaluation factors that should be considered by the rating agencies as they assess the impact of federal government action. These strong factors include: a history of prudent financial management; a highly educated workforce; a strong, diverse economy; a constitutionally dedicated tax to support bond debt service; a substantial Rainy Day Fund; and a fiscal condition and employment level that are better than most states in the nation.

[Moody's outlook update](#)

[Moody's complete outlook report](#)