



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

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FOR IMMEDIATE RELEASE
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TREASURER COWELL SAVES NC NEARLY \$27 MILLION WITH BOND SALE

North Carolina maintains fiscal health receiving a "AAA" rating

RALEIGH – State Treasurer Janet Cowell awarded \$372 million of General Obligation Refunding Bonds today. The refunding will save the State approximately \$26.7 million in debt service costs. Bonds are similar to home mortgages, in that government projects can be refinanced when interest rates are lower.

"One of our responsibilities in the State Treasurer's office is to monitor opportunities for refinancing of state debt to ensure the lowest possible cost to taxpayers," said Cowell.

The bonds were originally issued in 1999 through 2006 and used to pay for Higher Education, Public School and Transportation projects. The bonds were awarded to J.P. Morgan Securities Inc. who submitted the most favorable of the six bids received. J.P. Morgan offered a true interest cost of 2.264 percent.

In connection with the sale, Standard and Poor's, Moody's Investors Service and Fitch Ratings, the top three rating agencies, all affirmed the "AAA" rating for the State. A triple-A bond rating means that North Carolina has followed well-defined financial management policies and has demonstrated strong debt management practices.

Additionally, the State's proactive responses and history of taking early action to mitigate the impact of revenue declines were recognized. North Carolina remains one of only seven states to enjoy top-tier rankings from all three of the rating agencies.

"The Governor and the General Assembly have been effective in managing serious financial and budgetary pressure during this tough climate," said Cowell. "It is a vote of confidence for the state that we have been able to maintain this rating through the first year of the economic crisis."

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