

# MOODY'S

## INVESTORS SERVICE

### Rating Action: **Moody's assigns Aaa to Howard County, MD's 2023 bonds; outlook stable**

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21 Feb 2023

New York, February 21, 2023 -- Moody's Investors Service has assigned a Aaa to Howard County, MD's \$71.3 million Consolidated Public Improvement Project Bonds, 2023 Series A and \$15.8 million Metropolitan District Project Bonds, 2023 Series B. Moody's maintains a Aaa on the county's outstanding issuer and general obligation ratings. The outlook is stable.

#### RATINGS RATIONALE

The Aaa reflects the county's dynamic and growing local economy in proximity to the City of Baltimore (Aa2 stable) and Washington D.C. (District of Columbia Aaa stable). The county has a significant amount of development ongoing indicating that the growth will continue in the near-term. Resident income is very strong for the rating category. The Aaa also reflects a healthy reserve position, despite being below peers, and a modestly above-average leverage profile.

The general obligation unlimited tax (GOULT) rating is at the same level as the issuer rating reflecting the general obligation unlimited nature of its tax pledge.

#### RATING OUTLOOK

The stable outlook reflects the expectation that the county's economy will continue to see growth while its reserves remain healthy.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Contraction of the local economy
- Decline in reserves
- Increase in leverage beyond expectations and fixed costs

#### LEGAL SECURITY

The bonds are general obligations of the county and the county's full faith and credit and unlimited taxing power are irrevocably pledged to the payment on the bonds.

#### USE OF PROCEEDS

The bonds will be used to repay the county's outstanding Master General Obligation Bond Anticipation Notes, Series 2020A.

#### PROFILE

Howard County, MD is favorably located outside of Baltimore and in commuting distance to Washington D.C. The county's population is approximately 334,000.

#### METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moodys.com/api/rmc-documents/386953>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

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