



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE
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State Treasurer Pearce Announces Successful State Bond Sale

MONTPELIER— State of Vermont bonds were a hot commodity earlier this week as \$93.2 million in general obligation bonds were successfully sold at continued record low interest rates.

"The State averaged a true interest cost of just 2.23 percent," said State Treasurer Beth Pearce. "Our highly rated bonds are attractive to investors seeking a secure and reliable investment. Such demand enables the State to pay lower interest rates on the debt and reduce our cost of borrowing."

Funds raised by the bond sales finance a wide range of legislatively approved capital projects including school construction, maintenance of State buildings, pollution control, public safety, affordable housing, and maintenance and construction at UVM and the Vermont State Colleges.

The bonds settle, or close, on October 11, 2012. Yields ranged from 0.20 percent for bonds maturing in one year to 2.81 percent for bonds maturing in 20 years. The average maturity for the bonds was 10.3 years. A bond is said to mature on the date when the final debt and interest payment is paid in full.

The Series E Vermont Citizen Bonds were offered on Monday, with a first priority given to Vermont retail investors. The \$26.8 million in bonds sold out by early afternoon.

"We wanted to give Vermonters first priority to purchase our bonds. This is consistent with our long-term goal to encourage continued investment in Vermont," said Pearce.

The \$66.4 million in 2012 Series F General Obligation Bonds were sold on Wednesday via a competitive sale. The State received bids on the Series F bonds from 12 banks, with the winning bid coming from J.P. Morgan Securities, LLC.

Vermont bonds are rated triple-A by Moody's Investor Service and Fitch Ratings, the highest rating available to government issuers. Vermont bonds also are rated AA+ by Standard & Poor's Ratings Service, the second highest rating, and were assigned a positive outlook just prior to the sales. This improvement signals that the State is one step closer to securing an across-the-board triple-A rating from all three of the rating agencies. Vermont has the highest general obligation bond ratings of any New England state.