



New Mexico Department of
Finance & Administration

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New Mexico Receives Positive Ratings for Severance Tax Bond Series 2020A
Moody's assigns Aa2/Aa3 and S&P assigns AA-/A+

SANTA FE – The State of New Mexico received Aa2/Aa3 and AA-/A+ bond ratings from Moody's Investors Service and S&P Global Rating. Both rating agencies assigned stable ratings to New Mexico's Severance Tax Bond Series 2020A providing confidence in the state to bond investors.

“These ratings are a positive sign to investors that New Mexico bonds remain strong despite the current economic landscape,” said Debbie Romero, Acting Secretary of the New Mexico Department of Finance and Administration. “We are actively navigating the financial fallout of the pandemic and global oil industry decline, and the ratings show we are moving in the right direction.”

Moody's Investors Service assigns an Aa2 rating to New Mexico's Severance Tax Bonds Series 2020A, with an estimated amount of \$96 million. Following this issuance, the state will have \$608 million of senior lien severance tax bonds outstanding, all rated Aa2, and \$40 million of subordinate lien severance tax bonds outstanding, all rated Aa3.

S&P Global Ratings assigns an AA- rating to the State of New Mexico's Severance Tax Bonds Series 2020A and affirms an AA- rating on the state's parity senior lien severance tax bonds. S&P Global Ratings also affirms its A+ rating on New Mexico's subordinate supplemental severance tax bonds outstanding.

Rating agencies factor in the strength and stability of the pledged revenues, the entity's general credit quality, and the security protections governing the collections and distribution of the pledged revenues.

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