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Debbie Romero
Cabinet Secretary
Department of Finance and Administration (DFA)

Contact:

Baylee Rawson
Public Information Officer
baylee.rawson1@state.nm.us
(505) 216-8659

New Mexico Continues to Receive Positive Ratings for Severance Tax Bond Series

Moody's assigns Aa2/Aa3 and S&P assigns AA-/A+

SANTA FE – The State of New Mexico received Aa2 and AA- bond ratings from Moody's Investors Service and S&P Global Rating on the upcoming New Mexico Severance Tax Bond Series 2022A, with an estimated issuance of \$270 million. Both rating agencies assigned a stable outlook, providing confidence in the state to bond investors.

"These ratings are a positive sign to investors that New Mexico bonds are strong," said DFA Secretary Debbie Romero. "We are continuing to navigate the changing economic climate and the ratings show we are stable and moving in the right direction."

Moody's Investors Service assigns an Aa2 rating to New Mexico's Severance Tax Bonds Series 2022A. Following this issuance, the state will have \$1.1 billion of senior lien severance tax bonds outstanding, all rated Aa2, and \$30.1 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 2022A and affirms an A+ rating on the state's subordinate supplemental severance tax bonds outstanding. S&P Global Ratings also affirms its AA- rating on the state's \$817 million in outstanding senior-lien severance tax bonds and its AA rating on New Mexico's \$505.3 million of general obligation debt 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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The New Mexico Department of Finance and Administration (DFA) serves New Mexico through fiscal management support for state agencies, local governments, and community-based programs to achieve responsible and quality fiscal services for all New Mexicans. DFA received a clean audit for FY21 and remains committed to the continued improvement of the state's financial reporting. DFA was also an instrumental part in the accurate count of the 2020 Census, ensuring the promise of additional federal funding to the state.