

# MAINE HHEFA SERIES 2021A (TAX-EXEMPT) & B (TAXABLE) BONDS

**\$86,065,000**

**Series 2021A**

**(Tax-exempt)**

**Maine Health and Higher  
Educational Facilities Authority  
Revenue Bonds**



*Raymond James served as  
Senior Managing Underwriter*

May 2021

**\$156,870,000**

**Series 2021B**

**(Federally Taxable)**

**Maine Health and Higher  
Educational Facilities Authority  
Revenue Bonds**



*Raymond James served as  
Senior Managing Underwriter*

May 2021

## BACKGROUND

- Maine Health and Higher Educational Facilities Authority (“MHHEFA”) is an instrumentality of the state of Maine. The purpose of MHHEFA is to assist the State’s health care and higher educational institutions in the undertaking of projects involving the acquisition, construction, improvement, reconstruction, and equipping of facilities as well as the refinancing of existing indebtedness.
- The Series 2021A&B Bonds are supported by a Moral Obligation (“MO”) of the State and issued under the Reserve Fund Resolution, which calls for replenishment under the MO program, if needed. In addition, the Series 2021A&B Bonds are secured by loan repayments, a pledge of gross receipts and mortgage liens/negative pledges of the individual borrowers.
- The 2021A&B Bonds were backed by Assured Guaranty Municipal (“AGM”), with insured ratings of “A1/AA” by Moody’s and S&P, respectively. The Series 2021A&B Bonds underlying ratings are “A1/A+” by Moody’s and Fitch, respectively.
- The 2021A Bonds were tax-exempt refunding bonds, which included refundings of select Northern Light Health (“NLH”) private placements, and also refundings of a Maine College of Art’s private placement, and outstanding MHHEFA 2010B Bonds.
- The 2021B Bonds were issued to taxably advance refund NLH’s Obligated Group’s 2013 Bonds.

## SUCCESSFUL PRICING

- MHHEFA’s 2021A&B Bonds attracted top institutional buyers as a result of the deal’s structure and credit enhancement, AGM. Also, given the lack of supply in the healthcare municipal market during the week of pricing, retail and institutional investors were extremely interested to be involved with both ends of the transaction.
- During the week prior to pricing, the FED made the decision to hold rates unchanged and pledged to keep rates low while accepting higher short-term inflation pressures. The 10-year UST was 1.58% and 10-year MMD was 1.00%.
- The 2021B order period was conducted on Tuesday, 5/4. During the order period, 290 separate orders were taken for a total of \$1.726 billion in orders. Maturities ranged from being 5-16x oversubscribed, thus resulting in substantial yield reductions on the bonds.
- The 2021A order period was conducted on Wednesday, 5/5. During the order period, 550 separate orders were taken for a total of over \$1.9 billion in orders. Maturities ranged from being 12-28x oversubscribed, thus resulting in substantial yield reductions on the bonds.
- Overall, MHHEFA 2021 Bonds yielded a positive result and capitalized on favorable market conditions, with an All-in TIC of 2.36% and 2.88% for the 2021A and 2021B Bonds, respectively.
- Ultimately, NLH realized net present value savings of \$6.1 million or 6.5% of refunded par on the 2021A current refunding, and realized net present value savings of \$20.8 million or 14.8% of refunded par on the 2021B advance refunding.
- Maine College of Art realized a net present value savings of \$0.3 million or 9.7% of refunded par, on the 2021A refunding.