


Maine Health & Higher Educational Facilities Authority Series 2023B

MHHEFA Delivers Borrowers Attractive Cost of Capital Amidst Mixed Economic Data

- On November 16, 2023, Morgan Stanley served as Senior Manager on MHHEFA's tax-exempt fixed-rate Series 2023B Financing
- MHHEFA provides eligible not-for-profit higher educational and healthcare facilities access to capital markets, issuing low cost, tax-exempt and taxable bonds and lending the proceeds to borrowers
- The Series 2023B Bonds are supported by a Moral Obligation pledge from the State of Maine and issued with a reserve fund that would be replenished, if needed, by the State
- Bond proceeds provided funding for five participating borrowers
 - MaineHealth, Hometown Health Center, Houlton Regional Hospital, Mount Desert Island Hospital, and North Yarmouth Academy



Maine Health & Higher Educational Facilities Authority

\$122,420,000
Maine Health and Higher Educational Facilities Authority Revenue Bonds Series 2023B

Underlying Ratings (M / S / F):
A1 Positive / NR / A+ Positive

AGM Insured Ratings (M / S / F):
NR / AA Stable / NR

Pricing: November 16, 2023
Dated/Delivery: December 5, 2023

Senior Manager:
Morgan Stanley

Transaction Highlights and Pre-Marketing Process

- Morgan Stanley conducted a thorough marketing effort that highlighted MHHEFA's pooled loan program credit quality and the State of Maine's moral obligation pledge
 - Engagement with nearly 50 investors
- The Series 2023B Financing introduced Hometown Health Center and North Yarmouth Academy to the pooled loan program as first-time borrowers, adding to the overall diversity of the pool
- The Authority realized its lowest cost for bond insurance, providing further demand and support for the transaction

Solid Investor Demand at Pricing

- Strong investor engagement resulted in \$295 million orders (2.4x oversubscription) from 24 different institutional investors
 - Multiple coupon structures were offered to access incremental pockets of demand and increase interest in the transaction
 - This order book allowed MHHEFA's pricing spread to improve by up to 6 bps in certain maturities
 - Top investors included Mackay Shields, Hexagon Asset Management, Eagle Asset Management, PIMCO, Breckinridge Capital Advisors, RBC, Income Research & Management, and Maine Individual Retail
- MHHEFA achieved a final all-in TIC of 4.79% with an average life of 19 years