


Maine HHEFA Series 2025A Bonds

\$78,140,000
Series 2025A
(Tax-exempt)
Maine Health and Higher Educational
Facilities Authority
Revenue Bonds



Maine Health & Higher Educational Facilities Authority

*Raymond James served as
Sole Managing Underwriter*

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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 2025A 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 2025A Bonds are secured by loan repayments, a pledge of gross receipts, mortgage liens/negative pledges, and business covenants of the borrowers.
- The 2025A Bonds were insured by Assured Guaranty Inc. (“AG”) having a rating of “Aa3” by Moody’s and “AA” by S&P. The Series 2025A Bonds underlying ratings are “Aa3/A+” by Moody’s and Fitch, respectively.
- The 2025A Bonds were a combination of tax-exempt new money and tax-exempt refunding bonds. The bonds fund projects for College of the Atlantic, Jesup Memorial Library, John F. Murphy Homes, Inc., North Yarmouth Academy, Northern Maine Medical Center, Redington-Fairview General Hospital and Woodfords Family Services and refinance outstanding debt for Foxcroft Academy.
- The 2025A Bonds were also used to fund a Reserve fund and paid for costs of issuance.

Successful Results

- MHHEFA’s 2025A Bonds attracted top institutional buyers given the transactions credit enhancement from AG coupled with an improved underlying rating. In the wake of a firm market on pricing day, investors were eager to participate in MHHEFA’s offering. A total of 74 orders were received during the order period for a total of \$122,485,000.
- Treasuries, stocks and munis all held relatively firm after a period of volatility in the prior weeks as markets remain sensitive to economic data. On Wednesday, April 30th, 2025, treasuries lowered 5-10 bps across the curve. The DOW elevated slightly by 0.35% and NASDAQ dropped slightly by -0.10%. Munis were lower on the short end and unchanged on the long end.
- The Authority has continued to grow the MO program. As a result, The Series 2025A bonds benefited from last year’s Moody’s rating upgrade, and an aggressive Bond Insurance premium afforded a strong market reception of the Authority’s bonds.
- The 2025A order period was conducted on Wednesday, April, 30th. Oversubscription allowed for yields to be lowered in the 2028, 2034-2036, and 2055 maturities. After price bumps (yield reductions), the order book stood firm with 77 orders for a total of \$122,485,000. Ultimately, Serial Bonds from 2025 thru 2044 were oversubscribed by 1.0x – 2.4x. The 2049 & 2054 Term Bonds were 2.4x and 1.6x oversubscribed, respectively.
- Serial Bonds in 2028 and 2034-2036 were bumped 1bp and the Term Bond in 2055 was bumped 3bps.
- Raymond James underwrote the \$4.4 million balances remaining in the 2026 and 2038 maturities.
- Coupon structure remained constant during the pricing day, and the pricing bumps resulted in a 5bps all-in TIC reduction. MMD was bumped 2bps in years 2028-2055.
- Overall, MHHEFA’s 2025A Bonds yielded a positive result, having final allocations of 97.7% institutional and 2.3% retail investors with an All-in TIC of 4.715%. With the issuance of the 2025A Bonds, the Authority completed the amendment process for permitted investments. The spreads realized on the 2026 to 2055 maturities represent the lowest in the MO’s history.