



Rating Action: Moody's Ratings assigns Aa3 to Maine Health and Higher Educational Facilities Authority's (ME) Reserve Fund Resolution Program Ser. 2026A & B; outlook stable

21 Apr 2026

NOTE: On April 21, 2026, the press release was corrected as follows: The second sentence of the methodology paragraph was changed to "The additional methodologies used in these ratings were Not-for-profit Healthcare published in October 2024 and available at <https://ratings.moody.com/rmc-documents/430698>, Higher Education published in July 2024 and available at <https://ratings.moody.com/rmc-documents/425580>, and US States and Territories published in December 2025 and available at <https://ratings.moody.com/rmc-documents/455987>." Revised release follows.

New York, April 21, 2026 -- Moody's Ratings (Moody's) has assigned a Aa3 to Maine Health and Higher Educational Facilities Authority's (MHHEFA) proposed Revenue Bonds, Series 2026A with an approximate par amount of \$25.5 million and Revenue Bonds, Series 2026B with an approximate par amount of \$57.6 million. We maintain the Aa3 on all outstanding rated debt. The outlook remains stable. MHHEFA will have approximately \$987 million of debt outstanding.

The assignment of the Aa3 rating is based on the State of Maine's long term obligation rating of Aa1. This is because the pool rating is based on a moral obligation pledge from the state.

RATINGS RATIONALE

The Aa3 reflects the moral obligation pledge of the State of Maine to replenish reserve fund draws and our view that this rating is higher than the pool program rating. The pool program rating reflects the relatively weak credit quality of the pool participants, high degree of concentration within the top five borrowers and low default tolerance. These challenges are offset by strong management and governance and a favorably-structured debt portfolio.

RATING OUTLOOK

The stable outlook reflects the stable outlook on the state of Maine's long-term obligation rating. Maine's stable outlook is based on expected maintenance of strong fund balances well in excess of 15% of revenue, structurally balanced operations, and moderate leverage compared to revenue.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Reduction in state's total leverage ratio to below 100% of own source governmental revenues
- Growth in state's fund balances and liquidity in excess of the median for US states, alongside continued structural budgetary balance
- Sustained state real GDP, population and employment growth above the national rates
- Material improvement in the credit strength and loan diversity of the underlying pool of borrowers

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Severe structural imbalance in state budget or fund balances falling closer to 10% of revenue
- State leverage from debt, pension, OPEB or contingent liabilities increasing above 300% of revenue

- State declines in population, employment, real GDP growth and income levels relative to the national levels
- Change in the presumed strength of the state's moral obligation pledge

PROFILE

MHHEFA provides eligible non-profit colleges, universities and licensed healthcare facilities access to capital markets by issuing low cost, tax-exempt and taxable bonds and lending the proceeds to finance or refinance the acquisition, construction, and renovation of facilities.

METHODOLOGY

The principal methodology used in these ratings was Public Sector Pool Programs and Financings published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455989>. The additional methodologies used in these ratings were Not-for-profit Healthcare published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430698>, Higher Education published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425580>, and US States and Territories published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455987>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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