



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## Treasurer Chiang Sells \$2.18 Billion in Bonds

*\$1.52 Billion In Bond Sales Will Be Used For Housing, Highway And Other Projects*

**SACRAMENTO** – State Treasurer John Chiang today announced the completion of the sale of \$2.18 billion in State of California general obligation bonds that will pay for parks, schools, housing, highways, clean air and other infrastructure projects.

The sale included \$1.52 billion in new borrowing authorized by 19 different bond acts and \$663 million to refund outstanding general obligation bonds for debt service savings.

“The sale of these bonds will provide funding for vital infrastructure projects and will save taxpayers millions of dollars over the life of the bonds, due to the refinancing,” said Chiang. “Every dollar saved through refunding will over time be available for education, health services, environment protection and other programs that the people of California value.”

Since Treasurer Chiang took office in January 2015, refunding has created a public savings of about \$6.5 billion over the remaining life of the bonds.

Interest rates on the bonds ranged from 2% to 5.25% while yields ranged from 1.3% to 3.72%. The overall true interest cost for the sale was 3.53%.

This week's sale was the first general obligation bond sale since Treasurer Chiang launched the new [BuyCaliforniaBonds.com](http://BuyCaliforniaBonds.com) website to provide greater efficiency and transparency to investors. The new site offers thousands of pages of financial data and documents about the state's bond sales.

The sale, the largest tax-exempt municipal bond sale so far this year, generated strong demand from both retail and institutional buyers. The state received retail orders totaling \$1.4 billion, the most for a California sale in at least five years.

The bonds were rated "Aa3" by Moody's Investors Service, "AA-" by S&P Global Ratings and "AA-" by Fitch Ratings. The bonds are backed by the State of California's full faith and credit.

Morgan Stanley and Merrill Lynch, Pierce, Fenner, Smith Inc. were joint senior managers for the sale with Loop Capital Markets as the co-senior manager.

### **Additional Information:**

Read the second in the Treasurer's series of easy-to-use citizen guides on state bond borrowing: ["California Bonds 101: A Citizen's Guide to State Revenue Bonds."](#)

And for a guide to the state's general obligation borrowing, download a copy of the Treasurer's ["California Bonds 101: A Citizen's Guide to General Obligation Bonds" booklet.](#)

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