



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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PR16:10
April 19, 2016

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Treasurer Sells Nearly \$1.5 billion In Bonds

Biggest competitive municipal bond sale in 25 years

SACRAMENTO – California sold \$1.468 billion in tax exempt and taxable general obligation bonds, state Treasurer John Chiang announced Tuesday.

It was the largest competitive sale of long-term municipal bonds issued in the United States in a single day in more than 25 years.

“The market’s clamor for California bonds provides solid evidence that the market is eager to invest in our state,” said Chiang. “Our government is on sound footing after weathering the worst recession in more than half a century.”

The bulk of the issuance -- \$998.5 million – was earmarked for refunding existing, higher-interest debt. The refunding, similar to a homeowner refinancing his or her mortgage, will save taxpayers approximately \$250 million in interest costs over the remaining life of the bonds. The savings, when calculated on a net present value basis, is approximately \$195 million.

The new money raised by the bond sale will pay for highway safety projects, safe drinking water supplies and housing and emergency shelter programs.

The sale was comprised of \$1.23 billion of tax-exempt bonds and \$237 million of taxable bonds that were bid out competitively in three separate groups.

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