

MAINE STATE LEGISLATURE

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OFFICE OF
THE GOVERNOR

NO. 31 FY 75
DATE September 17, 1974

CREDIT RATING OF THE STATE OF MAINE

WHEREAS, the credit rating applied to general obligation bonds of the State of Maine by Moody's Investors Service, Inc., the private rating agency previously utilized exclusively by the State of Maine, was lowered from Aaa to Aa in a report dated April 19, 1974; and

WHEREAS, some of the information which appeared in the April 19, 1974, report and which was apparently used by Moody's to evaluate the State's credit was out of date and incomplete; and

WHEREAS, the growing number of bond sales by the State and various authorities and agencies of the State requires new coordination at the Executive level;

NOW, THEREFORE, I, Kenneth M. Curtis, Governor of the State of Maine, do hereby order that:

1. A new committee be created to review proposed bond sales by the State of Maine, the Maine State Housing Authority, and the Maine Municipal Bond Bank. The committee shall be composed of the Treasurer of the State of Maine (who shall be its Chairman), the Executive Director of the Maine State Housing Authority, the Executive Director of the Maine Municipal Bond Bank, the manager of the Maine Guarantee Authority, Commissioner of the Department of Finance and Administration, and the Commissioner of the Department of Business Regulation.
2. The purposes of this committee shall be to review and comment as necessary upon the proposed timing of bond sales, and to review and comment as necessary upon information supplied to the rating agencies, which apply ratings to the bonds sold by these organizations.
3. All departments and agencies shall provide such information as this committee may reasonably request to assist the committee in improving the basis upon which the private rating agencies determine the State's credit rating.

4. The Treasurer shall compile this information and provide it to both Moody's Investors Service, Inc. and Standard & Poors, Inc. from each of which he shall solicit a rating for the next general obligation bond issue of the State of Maine.
5. Any department, authority, or agency of State government which is planning to propose departmental legislation which will extend or create any authority, agency, or instrumentality, capable of selling bonds which will be backed by the full faith and credit of the State of Maine or the moral obligation of the State of Maine shall submit such proposed legislation to this committee for review and comment prior to the convening of the 107th Legislature.


KENNETH M. CURTIS