

Moody's Assigns A2 Issuer Rating and Aa2 Bond Rating To NDHFA

BISMARCK – One of the world's leading investment rating firms has given high marks to the North Dakota Housing Finance Agency (NDHFA) and to the agency's housing finance program bonds. Moody's Investors Service has assigned an A2 (with stable outlook) Issuer Rating to the North Dakota Housing Agency and has also upgraded NDHFA's housing finance program bonds from an Aa3 to an Aa2 rating.

"This rating upgrade will allow the agency to pass on greater interest savings by offering lower mortgage rates to North Dakotans purchasing their first home," said Gov. John Hoeven, chair of the Industrial Commission, which oversees NDHFA. "These ratings also attest to the outstanding performance of the agency in meeting its fiscal responsibilities while working to provide the citizens of North Dakota with affordable housing options."

"Investors purchase agency bonds at low interest rates because the income earned is free of federal income tax, or taxed at a reduced rate," said Attorney General Wayne Stenehjem. "The interest savings are then passed on to low- to moderate-income families for first home purchases through low mortgage rates."

"The A2 rating reflects Moody's assessment of the agency's financial position – a solid general fund balance, low risk portfolio, strong bond programs and an experienced management team," said Agriculture Commissioner Roger Johnson. "During the past 20 years, NDHFA has financed more than 23,000 home loans through the issuance of bonds."

An Issuer Rating, also known as a General Obligation Rating, is used to provide creditors with a measure of an entity's ability to meet its financial obligations. Bonds receiving an Aa rating are judged to be of high quality by all standards. Along with the Aaa group they comprise what are generally known as high-grade bonds.

"Mortgage loans and all assets of the housing finance program, as well as a general obligation pledge from the agency secure NDHFA bonds. A loan delinquency rating consistently below the national average also contributes to the agency's sound financial position," said Pat Fricke, NDHFA executive director.

NDHFA currently manages two primary single-family mortgage revenue bond programs and one multifamily revenue bond program.

Moody's Investors Service publishes credit opinions, research and ratings on fixed-income securities, issuers of securities and other credit obligations. The ratings are the product of a comprehensive analysis of each individual issue and issuer.

A copy of the Moody's report is available at www.ndhfa.org. For more information about the First-Time Homebuyer program or other NDHFA programs, contact a participating lender, real estate agent, home builder or the NDHFA directly at (701) 328-8080, 1-800-292-8621, 1-800-366-6888 (TTY) or through the Internet at www.ndhfa.org.

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, Agriculture Commissioner Roger Johnson and Attorney General Wayne Stenehjem, oversees the Housing Finance Agency.