

Rating Action: Moody's Assigns Aa3 issuer rating to Curry County, NM

21 May 2018

New York, May 21, 2018 -- Moody's Investors Service has assigned a Aa3 issuer rating to Curry County, NM. The county's issuer rating is equivalent to a rating that we would assign to a typical General Obligation Unlimited Tax (GOULT) debt issue and is used as a reference for a rating assigned using the US Public Finance Special Tax methodology. Under this methodology, ratings are typically no higher than its GO rating, highlighting the linkage between a government's various debt securities. In this case, the county's issuer rating of Aa3 is one notch above the county's special tax rating of A1.

RATINGS RATIONALE

The Aa3 rating reflects the county's modestly-sized tax base that continues to experience stable taxable value growth and benefits from the institutional presence of Cannon Air Force Base; alongside a steady financial profile with adequate reserves that mitigates reliance on sales taxes. Additional considerations include below average resident income indices and a manageable debt profile, and moderate pension burden.

RATING OUTLOOK

Moody's does not typically assign an outlook to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Expansion and diversification of the County's economy
- Improved wealth and income profile

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Tax base contraction or economic stagnation; weak growth or declines in GRT (sales tax) collections
- Trend of structurally imbalanced operations leading to a decline in reserves

LEGAL SECURITY

Not applicable

USE OF PROCEEDS

Not applicable

PROFILE

Curry County is located in eastern New Mexico (Aa1 negative), about 220 miles east of Albuquerque (Aa2 negative), and 105 miles southwest of Amarillo, Texas (Aa1 stable). The City of Clovis (Aa3) is the county seat and contains the majority (approximately 78%) of the county's 50,544 total population.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

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