



Rating Action: Moody's Ratings assigns Aaa to Howard (County of), MD's 2026 GO Bonds; outlook stable

09 Feb 2026

New York, February 09, 2026 -- Moody's Ratings (Moody's) has assigned a Aaa rating to Howard (County of), MD's proposed \$150.7 million General Obligation Bonds consisting of \$72.2 million Consolidated Public Improvement Project Bonds, 2026 Series A (Tax-Exempt), \$19.9 million Metropolitan District Project Bonds, 2026 Series B (Tax-Exempt), \$41.1 million Consolidated Public Improvement Refunding Bonds, 2026 Series C (Tax-Exempt), and \$17.5 million Consolidated Public Improvement Project Bonds, 2026 Series D (Taxable). We maintain the county's Aaa issuer and outstanding general obligation ratings. The county had about \$2.1 billion in debt outstanding at the end of fiscal 2025. The outlook is stable.

RATINGS RATIONALE

The Aaa issuer rating recognizes the county's dynamic, growing local economy that benefits from its location between Baltimore and Washington DC. Officials report new developments across a diverse range of sectors, including logistics, cybersecurity, and food services. Other employment sectors represented include healthcare, education, and telecommunications. Recent reductions in the federal workforce have likely contributed to an increase in unemployment which grew to 4.1% in November 2025 from 2.6% the prior year; this rate remains below the state and national rates. The county's robust resident income and wealth levels are a key credit strength.

The county's financial position is stable, with available fund balance between 25-30% of revenue the past four fiscal years. In 2026, the county has budgeted \$111 million in past operating surpluses to fund future capital projects, but officials estimate the actual draw will be lower. Finances will remain healthy supported by a strong management team with demonstrated ability to stabilize operations through cost containment measures and revenue growth. Despite the recent uptick in unemployment, income tax revenue outpaced budget estimates in 2025. Indication that revenues are impacted by federal funding and/or workforce changes would weigh negatively on the county's credit profile. Long-term liabilities will remain manageable post-sale, approximating 150% of revenue. Fixed costs are low.

The Aaa on the county's general obligation debt reflects the unlimited ad valorem tax pledge that supports the bonds.

RATING OUTLOOK

The stable outlook reflects the likelihood that the county's financial position will remain healthy, supported by steady revenue growth and strong management.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Indication that employment or economic contractions will impact county revenues
- Decline in fund balance to below 20% of revenue
- Increase in leverage to above 250% of revenue

PROFILE

Howard County is located in central Maryland (Aa1 stable) and favorably located between Baltimore and Washington D.C. The county's population is around 334,000.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455983>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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Susanne Murray
Lead Analyst

Orlie Prince
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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