

For Immediate Release – April 8, 2020

S&P Changes Outlook of All U.S. Public Finance Sectors including Guam **No Impact to Guam's Debt Service Despite Negative Outlook**

HAGÁTÑA, GUAM— The S&P Global Ratings recently changed the outlook of all U.S. public finance sectors to negative¹ due to the “COVID-19 and the swift onset of recession.” Following this recent decision, the S&P Global Ratings changed the Government of Guam's General and Limited Obligation Bonds and Certificates of Participation from Stable to Negative. This change will have no impact on debt service as such payments are fixed.

The rating agency's decision to place the outlook of these Guam Credits to “Negative” reflects significantly declining tourism activity due to health and safety risks posed by the COVID-19 pandemic. The S&P affirmed its 'BB-' rating on Guam's general obligation (GO) and limited obligation bonds outstanding and its 'B+' rating on Guam's appropriation-backed certificates of participation (COPs). The release further states that there is a one-in-three chance they may lower the rating over the next two years.

“The Guam Economic Development Authority emphasizes that the change in outlook on GovGuam credits is not unique to Guam nor does it impact the fixed amount of debt service payments or the government's ability to pay debt service on time,” stated Dr. Artemio “Ricky” Hernandez, Deputy Administrator of the Guam Economic Development Authority. ***“Despite the economic downturn created by the COVID-19 crisis, the government of Guam continues to fully prioritize its payment of bond and debt obligations.”***

For more information, please contact Dr. Hernandez at 671-647-4332 or via email at a.hernandez@investguam.com.

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¹ See S&P Global Ratings, [All U.S. Public Finance Sector Outlooks Are Now Negative](#).