

For Immediate Release – April 15, 2020

## Moody's Decisions on Guam Credits Not Unique

### No Impact to Guam's Debt Service Despite Reviews and Outlook Change

HAGÅTÑA, GUAM— Recent decisions by the Moody's Rating Agency on Guam credits arrive amid outlook changes, reviews, and downgrades across the country by ratings agencies. Despite the announcement to place Guam's General Obligation Credit (March 25th), the Guam Waterworks Authority Credit (March 25th), the Guam Power Authority Credit (March 30th) and the Port Authority of Guam Credit (March 30th) on *Review for Possible Downgrade*, and the change in the outlook of the Guam International Airport Authority (GIAA) Credit from Positive to Negative (April 7th), these decisions will have no impact on Guam's debt service as such payments are fixed.

*Review for Downgrade* is a term used to let the issuer know that it will now require a review of identifiable events and short-term trends that may cause ratings to be placed under special surveillance.

The decision to change the outlook of the GIAA Credit from Positive to Negative was based on the amount of direct federal assistance the Airport will receive under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Moody's attributed its actions to a "significant reduction in visitors to the territory from Asia as a result of the coronavirus pandemic, uncertainty about the timing and speed of a recovery in visitor arrivals, and the impact of the downturn in visitors on general government revenues and liquidity."

***"The Guam Economic Development Authority emphasizes that these recent actions by Moody's 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."***

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