



Rating Action: MOODY'S ASSIGNS Aaa RATING TO BERGEN COUNTY'S (NJ) \$46.1 MILLION COUNTY GENERAL OBLIGATION BONDS OF 2011, SERIES A AND \$2.3 MILLION COUNTY TAXABLE BONDS OF 2011, SERIES B

Global Credit Research - 28 Nov 2011

AFFIRMS COUNTY'S Aaa RATING, AFFECTING \$963 MILLION OUTSTANDING LONG-TERM COUNTY AND COUNTY-GUARANTEED GO DEBT, INCLUDING THE CURRENT ISSUE; OUTLOOK IS NEGATIVE

New York, November 28, 2011 –

Moody's Rating

Issue: General Obligation Bonds Series 2011 A; Rating: Aaa; Sale Amount: \$46,073,000; Expected Sale Date: 12/1/11; Rating Description: General Obligation

Issue: County Taxable Bonds Series 2011 B; Rating: Aaa; Sale Amount: \$2,332,000; Expected Sale Date: 12/1/11; Rating Description: General Obligation

Opinion

Moody's Investors Service has assigned a Aaa rating to Bergen County's (NJ) \$2.3 million County Taxable Bonds of 2011, Series B and \$46.1 million General Obligation Bonds of 2011, Series A, consisting of \$43 million General Improvement Bonds of 2011 and \$3 million Special Service/Vocational School Bonds of 2011. At this time, Moody's has also affirmed the county's Aaa rating, affecting approximately \$963 million of county general obligation and guaranteed parity debt. All of the bonds are secured by the county's general obligation, unlimited tax pledge. Proceeds of the current bond issue will provide funds for various capital improvement within the county.

RATING RATIONALE

The highest-grade Aaa rating reflects the county's substantial and diverse tax base with high wealth levels and proximity to New York City (G.O. rated Aa2/stable outlook), sound financial position supported by strong management, and low debt burden with an above-average amortization rate. The stable outlook reflects our expectation that the county's size and wealth will continue to exceed state and national norms, that its financial position will continue to be well-managed, maintaining Current Fund balances at adequate levels, and that the debt burden will remain manageable.

Moody's negative outlook on Bergen County's Aaa rating is due to its indirect linkages to the weakened credit profile of the US government (Aaa/negative outlook). We believe that issuer's rating could be affected by a downgrade of the US government's rating. In the coming weeks we will assess the county's degree of vulnerability to sovereign risk in terms of its reliance on capital markets, dependence on federal revenues, and degree of economic activity linked to federal spending, in order to determine whether to maintain the negative outlook. Please see the Press Release from August 4 entitled "Moody's confirms Aaa ratings of 5 U.S. states and 303 other public finance issuers indirectly linked to U.S. Government bond rating; negative outlooks assigned" for more information this rating action.

STRENGTHS

- Substantial and diverse tax base with favorable location
- Strong wealth indicators
- Strong financial management team
- Stable, structurally balanced financial operations

CHALLENGES

- Narrow Current fund balance relative to peers

OUTLOOK

Moody's negative outlook on Bergen County's Aaa rating is due to its indirect linkages to the weakened credit profile of the US government (Aaa/negative outlook). We believe that issuer's rating could be affected by a downgrade of the US government's rating. In the coming weeks we will assess the county's degree of vulnerability to sovereign risk in terms of its reliance on capital markets, dependence on federal revenues, and degree of economic activity linked to federal spending, in order to determine whether to maintain the negative outlook. Please see the Press Release from August 4 entitled "Moody's confirms Aaa ratings of 5 U.S. states and 303 other public finance issuers indirectly linked to U.S. Government bond rating; negative outlooks assigned" for more information this rating action.

What would make the rating change - DOWN

- Protracted structural budget imbalance

-Depletion of reserves

-Deterioration of the county's tax base

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

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Information sources used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, public information and confidential and proprietary Moody's Investors Service information.

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