

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns MIG 1 to Mercer County, NJ's Series 2026A BANs

09 Mar 2026

New York, March 09, 2026 -- Moody's Ratings (Moody's) has assigned a MIG 1 rating to Mercer County, NJ's proposed \$135.6 million Bond Anticipation Notes, Series 2026A. We maintain a Aa2 issuer rating on the county, with a positive outlook. The county had around \$575 million in total debt outstanding at the end of 2024.

RATINGS RATIONALE

The Aa2 issuer rating reflects the county's healthy local economy that benefits from above-average resident income and strong GDP growth. The Aa2 rating also reflects the county's improving reserve position and financial operations that will continue going into the 2026 fiscal year. The county's new management team has worked in recent years to improve financial operations and the rebalancing its budget to be more sustainable. Fiscal 2024's fund balance improved to around 21% of revenues and fiscal 2025 operations year-to-date are showing stability. Finally, the rating incorporates the county's manageable long-term liabilities. Its future capital needs are routine in nature and would not materially change its outstanding debt profile.

The MIG 1 rating reflects the county's strong underlying credit quality, as evidenced by its Aa2 long-term rating, and history of market access.

RATING OUTLOOK

The positive outlook on the issuer rating reflects the growing likelihood that the county's finances will continue to hold steady, if not increase, due to its improved financial oversight and management team. The outlook also reflects the county's growing economy and affordable leverage.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Maintenance or improvement in reserves
- Sustained decline in leverage to below 200% of revenues

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Decline in fund balance to below 15% of revenues
- Sustained increase in leverage to above 375% of revenues

PROFILE

Mercer County, NJ is located in central New Jersey (Aa3 stable) and is home to the state capital, Trenton (Baa2).

METHODOLOGY

The principal methodology used in this rating was US Municipal Short-term Debt published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430699>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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