MOODY'S
RATINGS

Rating Action: Moody's Ratings downgrades North Bergen, NJ's issuer and GO ratings to A1 from Aa3; assigns MIG 1 to 2026 BANs

25 Mar 2026

New York, March 25, 2026 -- Moody's Ratings (Moody's) has downgraded the Township of North Bergen, NJ to A1 from Aa3, and assigned new ratings, as indicated below.

- Issuer rating downgraded to A1 from Aa3

- General obligation unlimited tax rating downgraded to A1 from Aa3

- Outstanding short-term rating affirmed at MIG 1

- Assigned a MIG 1 rating to the township's proposed $43.1 million Bond Anticipation Note

The downgrade to A1 reflects the township's continued challenges in stabilizing reserves after several years of declines, which have weakened reserve levels to a point that is no longer commensurate with the Aa3 rating.

RATINGS RATIONALE

The A1 issuer rating reflects the borough's satisfactory but weakened reserves driven by growing expenditures and limited property tax revenue growth in 2022 and 2023. The township raised property taxes aggressively in 2024 and 2025, but this was not enough to catch up to the trend in expenditure growth. As of year-end 2024, available fund balance declined to $20.7 million, or 17% of revenue. Unaudited fiscal 2025 results show available fund balance declining to just 11.3. The fiscal 2026 budget, while not yet finalized, estimates increases in various revenue streams. In order to replenish reserves, management is working to contain costs, continuing to increase the levy, and leverage ongoing redevelopment to generate revenue. Further weakening of reserves in fiscal 2026 would likely result in downward rating pressure.

The rating also considers the township's expanding local economy within commuting distance to New York City, below-average resident income, and moderate residential redevelopment. Resident income levels are a solid 87% of the national median while equalized value per capita is strong at $173,077. Finally, the rating incorporates above-average leverage. The long-term liabilities ratio, driven by a mix of debt, pension and OPEB liabilities, was 375% of revenue at year-end 2024. Additionally, fixed costs represented 18.7% of revenue. The township does not have material debt plans in the near term.

The A1 general obligation unlimited tax rating is the same as the issuer rating due to the township's general obligation full faith and credit pledge as well as an unlimited property tax that is payable to debt service.

The MIG 1 rating reflects the township's underlying credit quality, reflected in its A1 issuer rating, strong liquidity, and demonstrated history of market access.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Sustained increase in the available fund balance ratio to 25% or higher

- Decline in the long-term liabilities ratio to below 250%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Continued use of reserves resulting in a decline in the available fund balance ratio to 10% or lower

- Increase in the long-term liabilities ratio to 500% or higher

PROFILE

North Bergen Township is located in Hudson County (Aa2 stable) in northern New Jersey (Aa3 stable). The township has a population of 61,250 residents.

METHODOLOGY

The principal methodology used in long term ratings US Cities and Counties published in December 2025 and available at https://ratings.moodys.com/rmc-documents/455983. The principal methodology used in the short term ratings 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 these methodologies.

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.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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