



## **Rating Action: Moody's Ratings upgrades the Borough of Paramus, NJ's issuer and GO ratings to Aa3 from A1; assigns MIG 1 to BANs**

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15 Apr 2026

New York, April 15, 2026 -- Moody's Ratings (Moody's) has upgraded the Borough of Paramus, NJ's issuer and general obligation unlimited tax (GOULT) ratings to Aa3 from A1. Concurrently, we have assigned a MIG 1 short-term rating to the borough's proposed \$25.7 million General Obligation Notes consisting of \$25,450,000 Bond Anticipation Notes comprised of \$21,800,621 General Bond Anticipation Notes, \$3,408,000 Golf Course Utility Bond Anticipation Notes and \$241,379 Swimming Pool Utility Bond Anticipation Notes and \$284,000 Special Emergency Notes (Non-Callable) (Not Bank-Qualified). Post issuance, the borough will have approximately \$52.8 million in debt outstanding.

The upgrade to Aa3 is driven by the borough's improved financial position, driven by conservative budgeting and consistent annual tax levy increases. Sustained operating surpluses and conservative financial management are expected to support further growth in reserves.

### **RATINGS RATIONALE**

The Aa3 issuer rating reflects the borough's stable and affluent economic profile, anchored by a sizable commercial tax base supported by major regional malls, including Garden State Plaza, favorable location within the NYC metro area and strong resident income levels, with an adjusted median household income at 159% of the U.S. median.

The rating also incorporates a marked improvement in the borough's financial position following a period of narrow reserves, with available fund balance rebuilt to an estimated 20.3% of revenues at year end 2025 (unaudited) through consistent operating surpluses, more disciplined fiscal management, and a demonstrated ability to implement steady tax levy increases. This is a notable turnaround from prior years (2014 to 2019), when limited appetite to raise taxes contributed to recurring revenue/expenditure imbalances and weakened financial flexibility. Going forward, management expects to continue its recent operating practices and further strengthen reserve levels. The rating further incorporates above-average long-term liabilities relative to national medians, but in line with state standards. No material debt issuances are expected in the near-term. Governance serves as a key driver of this rating action and reflects improved fiscal management practices, including consistent tax levy increases to rebuild fund balance and sustain solid fiscal health.

The Aa3 GOULT rating is the same as the issuer rating due to the borough'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 on the notes reflects the borough's underlying credit quality, reflected in its Aa3 issuer rating.

### **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**

- Sustaining the available fund balance ratio at 30% or higher
- Decrease in the long-term liabilities ratio to 175% or lower

### **FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS**

- Reversal of recent financial improvement, leading to a decline in the available fund balance ratio to 15% or lower
- Increase in the long-term liabilities ratio to 350% or higher

## PROFILE

Paramus, NJ is located in Bergen County (Aaa stable) in northern New Jersey (Aa3 stable). The borough's population is 26,568 according to 2024 American Community Survey.

## METHODOLOGY

The principal methodology used in the long term rating was 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 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 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>.

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

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [https://ratings.moodys.com/documents/PBC\\_1462204](https://ratings.moodys.com/documents/PBC_1462204).

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