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RATING ACTION COMMENTARY

Fitch Rates Prince George's County, MD's $330.135MM GOs 'AAA'; Outlook Stable

Mon 18 May, 2026 - 5:47 PM ET

Fitch Ratings - New York - 18 May 2026: Fitch Ratings has assigned a 'AAA' rating to the following Prince George's County, MD general obligation (GO) bonds:

--$266,995,000 GO consolidated public improvement bonds, series 2026A;

--$63,140,000 GO consolidated public improvement refunding bonds, series 2026B.

The bonds are scheduled for a competitive sale on May 27, 2026. Bond proceeds will be used to fund various capital projects and refunding bonds.

Fitch has also affirmed the county's IDR and outstanding GOs at 'AAA'.

The Rating Outlook is Stable.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR

Prince George's County (MD) [General Government]	LT IDR	AAA Rating Outlook Stable	Affirmed	AAA Rating Outlook Stable
Prince George's County (MD) /General Obligation - Limited Tax/1 LT	LT	AAA Rating Outlook Stable	Affirmed	AAA Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--Failure to maintain available reserves above 10% of spending on a sustained basis, resulting in a financial resilience assessment below 'aaa';

--A roughly 2% increase in long-term liability burden metrics;

--Weakened economic and demographic performance including but not limited to declining population, rising unemployment and lower resident income.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Positive rating actions are not applicable given the 'AAA' rating and Stable Outlook.

SECURITY

The GOs are backed by the county's full faith and credit and limited taxing authority. The county charter limits the real property tax rate to $0.96 per $100 of assessed value and further requires that certain taxes may not be increased without voter approval.

FITCH'S LOCAL GOVERNMENT RATING MODEL

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the Issuer Default Rating except in certain circumstances explained in the applicable criteria.) The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA), and so forth down to 1.0 (BBB- and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

RATINGS HEADROOM & POSITIONING

Prince George's County Model Implied Rating: 'AAA' (Numerical Value: 10.10)
-- Metric Profile: 'AA+' (Numerical Value: 9.10)
-- Net Additional Analytical Factor Notching: +1.0

Individual Additional Analytical Notching Factors:
-- Economic and Institutional Strength: +1.0

Prince George's County's Model Implied Rating is 'AAA'. The associated numerical value of 10.10 is at the lower end of the range for a 'AAA' rating.

KEY RATING DRIVERS

FINANCIAL PROFILE

Financial Resilience - 'aaa'

Prince George's County's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

-- Revenue control assessment: High
-- Expenditure control assessment: Midrange
-- Budgetary flexibility assessment: High Midrange
-- Minimum fund balance for current financial resilience assessment: >=10.0%
-- Current year fund balance to expenditure ratio: 34.3% (2025)
-- Lowest fund balance to expenditure ratio for the fiscal-year period 2021-2025: 26.6% (2021)

Revenue Volatility - 'Strong'

Prince George's County's weakest historic three-year revenue performance is neutral to the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

-- Lowest three-year revenue performance (based on revenues dating back to 2005): 0.8% increase for the three-year period ending fiscal 2014
-- Median issuer decline: -3.7% (2025)

DEMOGRAPHIC AND ECONOMIC STRENGTH

Population Trend - 'Weakest'

Based on the median of 10-year annual percentage change in population, Prince George's County's population trend is assessed as 'Weakest'.

Population trend: 0.2% Analyst Input (17th percentile) (vs. 0.2% 2024 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Strong'

The overall strength of Prince George's County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2025 are assessed as 'Strong' on a composite basis, performing at the 68th percentile of Fitch's local government rating portfolio. This is due to relatively strong education attainment levels, median-issuer indexed adjusted MHI and unemployment rate.

-- Unemployment rate as a percentage of national rate: 82.5% Analyst Input (73rd percentile)
-- Percent of population with a bachelor's degree or higher: 36.7% (2024) (68th percentile)
-- MHI as a percent of the portfolio median: 112.6% (2024) (64th percentile)

Economic Concentration and Population Size - 'Strongest'

Prince George's County's population in 2024 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 970,374 Analyst Input (above the 15th percentile) (vs. 964,596 2024 Actual)
-- Economic concentration: 48.0% Analyst Input (above the 15th percentile) (vs. 61.8% 2025 Actual)

Demographic and Economic Strength Additional Analytical Factors and Notching: +1.0 notch (for Economic and Institutional Strength)

A 1.0-notch uplift has been applied under the Economic and Institutional Strength Additional Analytical Factor, reflecting Prince George's economic importance and resilience as a notable contributor to the Washington-Arlington-Alexandria MSA. The MSA plays a vital role in the national economy, accounting for 2.9% of U.S. GDP in 2022, according to the Bureau of Economic Analysis' data. Prince George's is also a major employment center within the state and is home to educational institutional and government anchors for the region.

Fitch adjusted the economic concentration to a level consistent with pre-pandemic level and other peers within the Washington-Arlington-Alexandria MSA. Concentration is driven by the government sector, which includes various federal government agencies in addition to public education institutions such as the University of Maryland (UMD) at College Park. Fitch used 2025 population numbers as an analyst input and 2024 unemployment.

LONG-TERM LIABILITY BURDEN

Long-Term Liability Burden - 'Weak'

Prince George's County's carrying costs to governmental expenditures and liabilities to personal income remain weak while liabilities to governmental revenue remain midrange. The long-term liability composite metric in 2025 is at the 28th percentile, indicating a somewhat elevated liability burden relative to Fitch's local government rating portfolio.

-- Liabilities to personal income: 9.5% Analyst Input (21st percentile) (vs. 9.7% 2025 Actual)
-- Liabilities to governmental revenue: 184.9% Analyst Input (46th percentile) (vs. 187.2% 2025 Actual)
-- Carrying costs to governmental expenditures: 19.4% Analyst Input (22nd percentile) (vs. 19.2% 2025 Actual)

Fitch adjusted the county's direct debt to reflect the addition of the series 2026 bonds and scheduled principal amortization on outstanding debt through 2026. Fitch also adjusted carrying costs to include the additional annual costs.

PROFILE

The county's economic base benefits from its location adjacent to Washington, D.C. The county is home to 15 governmental bureaus, including the Internal Revenue Service and the U.S. Census Bureau Supercomputer Center. The county is also home to six universities and colleges, including UMD at College Park.

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Prince George's County (MD) [General Government].

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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APPLICABLE CRITERIA

U.S. Public Finance Local Government Rating Criteria (pub. 01 May 2026) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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Prince George's County (MD)	EU Endorsed, UK Endorsed

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