

Iowa Refinances IJOBS Bonds for \$113.5 Million Savings Over 15 Years



Earlier this month, I announced a portion of Iowa's IJOBS bonds were refinanced in order to save the State money. We sold new bonds and used the proceeds to pay off the bonds that were issued in 2009. The borrowing rate came in at 2.64%, nearly 2% less than the original bonds. This transaction is a lot like refinancing your house at a lower interest rate. It will save the state over \$3 million in the first year and a total of \$113.5 million over fifteen years. Iowa's strong financial position and low interest rates made the refinancing a great success.

IJOBS bonds, which are paid with gaming revenues, were sold to provide millions of dollars for state and local infrastructure projects, including grants for community rebuilding after the floods of 2008. The payments on the original bonds, issued in 2009 and 2010, cost almost \$55 million per year. After a partial cash redemption in 2014 and refinancing in 2016 and 2019, the cost of debt service has been reduced to approximately \$46.5 million per year.

Iowa has a great story to tell. Our careful approach to financial management, diverse economy and low debt burden have helped make us one of only thirteen states to be rated AAA by all three major rating agencies. Just as having a high individual credit score can help lower your interest rate when you are refinancing your home, the state gets a similar benefit from the AAA rating.

As part of the process to sell the bonds, Iowa made credit presentations to Standard & Poor's and Moody's Investor Service. In addition to rating the bonds, Iowa's overall AAA credit rating was affirmed. According to Standard & Poor's review, the general credit characteristics of the state reflect:

- Good fiscal management and a structurally balanced budget;
- Maintenance of significant rainy day reserves;
- Average income levels, low unemployment and stable economic growth; and
- Low debt burden, low state employee unfunded pension liabilities and a minimal post-employment benefits liability.

Celebrate College Savings 529 Day and Win \$529!



This May, you can celebrate 529 Day with College Savings Iowa. May 29 is 529 Day, the national celebration of college savings plans around the country to showcase the importance of saving for our children's future. My office is celebrating 529 Day by giving away a \$529 College Savings Iowa account! The giveaway is open May 1 through May 31, and any Iowa family with a child or grandchild under the age of 18 is eligible to register. You can visit Iowa529Contest.com to watch our short video and sign up for the giveaway before the deadline.

Current account holders are our biggest advocates, and I'm always grateful for their kind words and their generous boost to our program. If you're already enrolled in the plan, take this month to celebrate your savings and think about putting in an extra contribution to your accounts. If you're not a part of the program yet, odds are you know someone who is saving through the program. Take some time to talk to your family and friends about saving for education and learn more about College Savings Iowa. If you want to learn more about College Savings Iowa, you can visit our website at CollegeSavingsIowa.com or call our education specialists at 888-672-9116.

College Savings Iowa offers families a tax advantaged way to save money for their children's higher education. It only takes \$25 to open an account, and anyone – parents, grandparents, friends and relatives – can invest in College Savings Iowa on behalf of a child. Iowa taxpayers have the additional benefit of being able to deduct contributions up to \$3,387 per beneficiary account from their 2019 Iowa income taxes.*

**Adjusted annually for inflation. If withdrawals are not qualified, the deductions must be added back to Iowa taxable income. The availability of tax or other benefits may be contingent on meeting other requirements.*

Memorial Day has Special Meaning for Great Iowa Treasure Hunt



Since 1983, the Great Iowa Treasure Hunt has returned over \$261 million to more than 592,000 individuals. Each year, millions of dollars are turned over to my office as lost and abandoned. Unclaimed property comes in many forms such as savings and checking accounts, stocks, uncashed checks, life insurance policies, utility security deposits and safe deposit box contents. Those safe deposit boxes many times contain mementos from long-ago wars such as military medals. The military medals that come to my vault for safekeeping commemorate services in nearly every branch. We have an World War II Victory medal, Bronze Star, Army Combat Infantryman Badge, and a Purple Heart in our vault for safekeeping. This is why Memorial Day has special significance for me.

We do not know the details of the fear, bravery, survival or heroism; but we do know there is a story behind each of these items. Once turned over to my office, we work to reunite these items to their proper owners or heirs. New chapters are written as we successfully return the long-lost medals to a soldier or the soldier's heirs.

These medals are reminders of the sacrifices that others have made for our country and the significance of Memorial Day. To our military volunteers and their families, thank you.

Visit GreatIowaTreasureHunt.gov to begin your search. Keep up with all of our programs on social media (Facebook and Twitter @IowaTreasurer).

August is “ABLE to Save” Month



Mark your calendar, August is “ABLE to Save Month.” Iowa, along with other states and organizations around the country, designate August as “ABLE to Save Month” in an effort to increase awareness about ABLE accounts and to encourage those with disabilities and their families to start building their financial futures.

Prior to federal passage of the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act in 2014, millions of individuals with disabilities were unable to save more than \$2,000 in assets without jeopardizing their eligibility for critical federal benefits. Following in the federal government’s footsteps, the Iowa legislature passed legislation that paved the way for Iowa’s ABLE program, IAble.

IAble offers individuals with disabilities the opportunity to save up to \$100,000 for disability-related expenses without losing their eligibility for certain assistance programs, like SSI and Medicaid. Funds can be used for short-term saving or long-term investing, and include both federal and state income tax benefits. [Learn more about the tax benefits.](#)

Nationally, there are over 25,000 open ABLE accounts with a total of over \$120 million invested. Since IAble’s inception in January 2017, over 480 accounts have been opened across two-thirds of Iowa’s counties, with more than \$2.8 million invested. Accounts can be opened online, with as little as \$25.

Please visit IAble.gov to learn more. You may also call the program at 1-888-609-8910, or email us at ia.clientservices@savewithable.com.

Tip from the Treasurer: How is your credit score calculated?



Your credit score is one of the most important measures of your creditworthiness. It's important for lowans to understand what impacts their credit score. Understanding what goes into your calculation can make the difference when trying to build or maintain good credit. Here are the factors affecting your credit:

- Payment history counts for 35 percent of FICO. To lenders, your history of payments indicates whether you'll make payments on time in the future. A FICO score summarizes your information in a credit report into a single number, allowing lenders to assess your credit risk quickly. The higher the score, the better.
- Amounts owed count for 30 percent of your FICO score. A high percentage doesn't necessarily mean a low score, but it may indicate a potential for late or missed payments.
- Length of credit history counts for 15 percent of your FICO score. The age of your oldest account indicates to lenders how much experience you have handling your credit.
- Types of credit in use counts for 10 percent. What type of credit is being used? Lenders will consider your mix of credit cards, retail accounts, installment (such as auto or student loans) and mortgage loans. This factor is more important if the credit report does not have much other information.
- New credit counts for 10 percent of your FICO score. Opening multiple accounts in a relatively short timeframe will end up hurting the overall score, especially if there is a short credit history.

For more information on FICO credit scores and their calculation visit [MyFICO](#). To receive a free copy of your credit report (offered annually by each of the three credit reporting agencies) visit [AnnualCreditReport.com](#).