
Bitcoin-Backed Muni Bond Clears Hurdle With Moody's Rating.

Takeaways by Bloomberg AI

- The New Hampshire Business Finance Authority plans to sell a Bitcoin-backed municipal bond, which they say is unprecedented, and has earned a Ba2 rating from Moody's Investors Service.
- The bond will be backed by Bitcoin collateral deposited into a trust, and provisions are in place to address Bitcoin's volatility, including liquidation of the trust if the token's price dips below a certain threshold.
- The deal does not involve public funds or taxpayer dollars, and the transaction fees will be paid in Bitcoin to support a Bitcoin Economic Development Fund that could support early-stage companies or infrastructure.

The riskiest asset class is converging with one of the safest in a first-of-its-kind financial product: A Bitcoin-backed municipal bond.

The New Hampshire Business Finance Authority's plans for such a security — which they say is unprecedented — earned a Ba2 rating from Moody's Investors Service on Tuesday. That's the second-highest level of speculative grade.

Bitcoin mining and data center company CleanSpark will borrow the proceeds and deposit the Bitcoin collateral into a trust, from which bond payments will be made.

A ratings action brings the novel idea one step closer to reality. The New Hampshire conduit is aiming to sell $100 million of taxable, Bitcoin-backed bonds through two series, although there is no official date yet.

There are provisions to help address Bitcoin's notorious volatility. If the token's price dips below a certain threshold, the trust will be liquidated to pay bondholders in full. Meanwhile, bondholders will also be eligible for additional payments if the Bitcoin's price appreciates in value.

Moody's pre-sale document notes credit strengths like strong oversight, the transparency of the Bitcoin market and robust collateral that will help mitigate risks. Challenges include Bitcoin's price volatility, possible delays in liquidation and the involvement of unrated entities like BitGo.

The deal does not involve any public funds or taxpayer dollars, according to James Key-Wallace, the executive director for the New Hampshire Business Finance Authority.

"If for some reason it doesn't work, New Hampshire is not the one paying," Key-Wallace said. "We're creating the environment for this innovation without putting taxpayer dollars on the line."

Test Case

Still, he's hoping this transaction will be the first of many, and that it will mark New Hampshire as the destination for other companies that want to leverage cryptocurrencies for cheaper borrowing.

The conduit's transaction fees will be paid in Bitcoin, which will kickstart a Bitcoin Economic Development Fund that could support early-stage companies or infrastructure like childcare and roads, Key-Wallace noted.

Wave Digital Assets LLC will be responsible for day-to-day transaction administration, and BitGo Bank & Trust will act as custodian. New Hampshire Governor Kelly Ayotte and the executive council will still need to sign off on the sale, but Ayotte voiced her approval when the conduit approved the structure in November.

"I'm proud that New Hampshire is once again first in the nation to embrace new technologies with this historic Bitcoin-backed bond," she said. "This is an innovative way to bring more investment opportunities to our state and position us as a leader in digital finance without risking state funds or taxpayer dollars."

Still, Bitcoin is notoriously volatile, down nearly 50% from its peak around $126,000 in October 2025. During that same period, an index of high-yield muni bonds returned 1.82% to investors, according to data compiled by Bloomberg.

Bloomberg Technology

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