



Rating Action: Moody's takes action on municipal VRDBs supported by two French banks

Global Credit Research - 25 Jun 2015

Actions based on assignment of counterparty risk assessments

New York, June 25, 2015 -- Moody's Investors Service has taken the rating actions discussed herein based on assignment of counterparty risk assessments (CR Assessments) to the banks listed below:

Bank; Long-term CR Assessment; Short-term CR Assessment

Dexia Credit Local; Baa3(cr); P-3(cr)

Natixis; A1(cr); P-1(cr)

RATINGS RATIONALE

Each of the debts listed herein is supported by a letter of credit provided by the Bank specified. The ratings are based on the structure and legal protections of each transaction, which provide for timely payment of amounts due bondholders, and on Moody's long-term and short-term counterparty risk assessments of the applicable Bank. The current CR Assessments of each bank are included in the list above. The short-term ratings for the debts supported by Dexia Credit Local were placed under review for downgrade on March 17, 2015. The actions announced herein conclude those reviews.

DEBTS SUPPORTED BY DEXIA CREDIT LOCAL

Moody's has downgraded the short-term ratings of the debts listed below to VMIG 3 from VMIG 2. Each of the debts listed below is supported by a letter of credit provided by Dexia Credit Local. Moody's

Moody's is not taking any action on the long-term letter of credit supported ratings of the debts listed below. Moody's long-term CR Assessment of Dexia Credit Local, currently Baa3(cr), has replaced the bank's senior unsecured rating as an input to the long-term ratings of these debts.

WHAT COULD CHANGE THE RATINGS UP OR DOWN

The short-term ratings of the debts listed below would be revised up or down as a result of a change in Moody's short-term CR Assessment of Dexia Credit Local.

CUSIP; Issuer

64966A2H7; New York (City of) NY

64966A2F1; New York (City of) NY

64966CG96; New York (City of) NY

Moody's has downgraded the long-term rating of the debt listed below to Baa3 from Baa2. The debt listed below is supported by a letter of credit provided by Dexia Credit Local.

WHAT COULD CHANGE THE RATINGS UP OR DOWN

The rating of the debt listed below would be revised up or down as a result of a change in Moody's long-term CR Assessment of Dexia Credit Local.

CUSIP; Issuer

047086AA1; Athens Area Facilities Corporation, GA

Moody's has also downgraded the short-term ratings of the debts listed below to VMIG 3 from VMIG 2. Each of

the debts listed below is supported by a conditional liquidity facility provided by Dexia Credit Local.

WHAT COULD CHANGE THE RATING UP OR DOWN

The short-term ratings of the debts listed below would be downgraded if Moody's were to downgrade the short-term CR Assessment of Dexia Credit Local. Each of the short-term ratings could also be downgraded if Moody's were to downgrade the long-term rating of the applicable bonds.

CUSIP; Issuer

517840D76; Las Vegas Valley Water District, NV

517840D68; Las Vegas Valley Water District, NV

64970K8A8; New York City Municipal Water Finance Authority, NY

64970K8B6; New York City Municipal Water Finance Authority, NY

64971KFB7; New York City Transitional Finance Authority, NY

64971KFC5; New York City Transitional Finance Authority, NY

64971KFF8; New York City Transitional Finance Authority, NY

64971KGD2; New York City Transitional Finance Authority, NY

64971MEE8; New York City Transitional Finance Authority, NY

64971MEF5; New York City Transitional Finance Authority, NY

64971KGC4; New York City Transitional Finance Authority, NY

64971KJE7; New York City Transitional Finance Authority, NY

DEBT SUPPORTED BY NATIXIS

Moody's has upgraded the long-term rating of the debt listed below to A1 from A2. The debt listed below is supported by a letter of credit provided by Natixis.

Moody's is not taking any action on the short-term rating of the debt listed below. Moody's short-term CR Assessment of Natixis, currently P-1(cr), has replaced the bank's senior unsecured rating as an input to the short-term rating of this debt.

WHAT COULD CHANGE THE RATING UP OR DOWN

The rating of the debt listed below would be revised up or down if Moody's were to change its short-term CR Assessment of Natixis.

CUSIP; Issuer

790103AD7; St. James (Parish of) LA

PRINCIPAL METHODOLOGY

The principal methodology used in the actions discussed herein on bonds supported by letters of credit was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit Backed, Insured and Guaranteed Debts published in March 2015. The principal methodology used in the actions discussed herein on debts supported by conditional liquidity facilities was Variable Rate Instruments Supported by Conditional Liquidity Facilities published in March 2015. Please see the Credit Policy page on www.moody's.com for a copy of these methodologies.

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