

**Rating Action: Moody's Assigns A2 to Fordham University, NY's Series 2017;
Outlook Stable**

Global Credit Research - 05 Dec 2017

New York, December 05, 2017 -- Issue: Revenue Bonds, Series 2017; Rating: A2; Rating Type: Underlying LT; Sale Amount: \$81,715,000; Expected Sale Date: 12/14/2017; Rating Description: Revenue: 501c3 Unsecured General Obligation;

Summary Rating Rationale

Moody's Investors Service has assigned an A2 rating to Fordham University, NY's proposed \$82 million fixed-rate, tax-exempt Revenue Bonds, Series 2017 to be issued through the Dormitory Authority of the State of New York. We maintain A2 ratings on the university's previously rated revenue bonds. The rating outlook is stable.

The A2 rating reflects Fordham's very good market position as a prominent Jesuit institution located in New York City, consistent while modest growth in net tuition revenue, and strong fundraising to support capital investment and programs. Offsetting factors include limited flexible reserves relative to expenses and debt, a high dependence on student charge revenue in a competitive market, and variable rate debt-related credit risk.

Rating Outlook

The stable outlook is based on expectations that operating cash flow and liquidity will remain at or above current levels, that modest net tuition growth and generous philanthropy will continue, and that debt will not materially increase.

Factors that Could Lead to an Upgrade

Substantial growth in financial reserves and liquidity providing a stronger cushion relative to debt and operations

Consistently stronger cash flow, resulting in increased debt service coverage and additional financial flexibility

Factors that Could Lead to a Downgrade

Deterioration in operating performance or decrease in debt service coverage

Weakened enrollment or net tuition revenue growth

Increase in financial leverage

Legal Security

Series 2017 bonds are a general obligation of the university.

Use of Proceeds

Proceeds from the series 2017 bonds will be used to advance refund a portion or all of the series 2011A bonds and pay costs of issuance.

Obligor Profile

Fordham University is a Jesuit university with diverse program offerings and three New York City area locations (the Rose Hill campus in the Bronx, Manhattan's Lincoln Center (LC) campus, and a commuter campus in Westchester County) and a site in London. The university had operating revenue of \$602 million in fiscal 2017 and enrolled 14,732 students for fall 2017.

Methodology

The principal methodology used in this rating was Global Higher Education published in November 2015. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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Debra Roane
Lead Analyst
Higher Education
Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York 10007
US
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Kendra Smith
Additional Contact
Higher Education
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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