MOODY'S
INVESTORS SERVICE

Rating Action: Moody's affirms Aa1/VMIG 1 LOC-backed rating of Indiana University Health Series 2016B & 2016C

Global Credit Research - 07 Dec 2017

New York, December 07, 2017 -- Moody's Investors Service has affirmed the Aa1/VMIG 1 letter of credit backed ratings of the Indiana Finance Authority Hospital Revenue Refunding Bonds (Indiana University Health), Series 2016B and 2016C (collectively the Bonds). The affirmations are in connection with issuance of substitute letters of credit (LOCs) provided by Wells Fargo Bank, N.A. (the Bank) which will replace the current LOCs provided by BMO Harris Bank National Association.

RATINGS RATIONALE

Upon the effective date of the substitute LOCs currently scheduled for December 13, 2017, the long-term ratings will continue to be based on joint default analysis (JDA) which reflects Moody's approach to rating jointly supported transactions. JDA incorporates: (i) the long term Counterparty Risk Assessment (CR Assessment) of the Bank, as LOC provider, and the credit quality of Indiana University Health (the Obligor); (ii) the probability of default in payment by both parties; and (iii) the structure and legal protections of the transactions, which provide for timely debt service payments. Moody's current long-term and short-term CR Assessments of the Bank are Aa1(cr) and P-1(cr), respectively. Moody's currently maintains an underlying rating of Aa2 on the Bonds.

Moody's has determined that the joint probability of default between the Bank and the Obligor is low which results in credit risk consistent with a JDA rating of Aa1 for the Bonds. Moody's assessment of the likelihood of timely payment of purchase price is reflected in the short-term ratings of the Bonds. The short-term ratings are based on the short-term CR Assessment of the Bank.

Factors that Could Lead to an Upgrade

- Moody's upgrades the long-term CR Assessment of the Bank or upgrades the underlying rating of the Bonds.

- Upgrade of the short-term rating is not applicable.

Factors that Could Lead to a Downgrade

- Moody's downgrades the long-term CR Assessment of the Bank or downgrades the underlying rating of the Bonds.

- Moody's assessment of the level of default dependence between the Bank and the Obligor increases.

- Moody's downgrades the short-term CR Assessment of the Bank.

The principal methodology used in this rating was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts published in May 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the

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