

Rating Action: Moody's Upgrades 76 Enhanced Ratings and Places 47 Ratings Under Review for Upgrade with New State Aid Intercept Methodology

Global Credit Research - 14 Dec 2017

NOTE: On January 03, 2018, the From to List accessible via hyperlink from this press release was corrected as follows: on the Financing tab, the obligor "Monroe County Industrial Dev Agency, NY" and the duplicate entry for "Earle Special School District, AR" were removed; on the Pool tab, the obligor for all pools for which the obligor was originally listed as "Dormitory Authority of the State of New York" was changed to "School District Revenue Bond Financing Program, NY."

NOTE: On December 14, 2017, the press release was corrected as follows: In the methodology paragraph, the publication date for the Public Sector Pool Financings methodology was changed to July 2012. Revised release follows.

New York, December 14, 2017 -- Moody's Investors Service has upgraded 76 enhanced ratings and placed 47 ratings on review for possible upgrade in conjunction with its updated methodology for rating State Aid Intercept Programs and Financings.

Additionally, we have assigned nine ratings to intercept enhancement programs. Five of these programs are newly rated, and four are previously rated programs being consolidated with other programs. We have affirmed the enhanced ratings of approximately 490 organizations as a result of their inclusion in the intercept programs that are either newly rated or consolidated. Lastly, we have withdrawn one program rating and changed the methodology for three organizations previously rated under the intercept methodology without changing any of the enhanced ratings, and we no longer apply the intercept methodology to these credits.

The updated methodology was published on December 14. We expect to resolve the reviews within 90 days.

Please click on this link [http://www.moody.com/viewresearchdoc.aspx?docid=PBM_PBM198156] for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

The 76 upgrades are of bonds issued by enhanced borrowers that are rated higher under the new methodology than under the old one. The 47 ratings placed under review for possible upgrade are pooled financings with participants that are enhanced. Our reviews will focus on whether the pooled ratings would be higher as a result of higher enhanced participant ratings.

The principal methodology used in the enhanced and program ratings was State Aid Intercept Programs and Financings published in December 2017. The principal methodology used in the California Emergency Apportionment bonds and Baltimore Board School Commissioners ratings was Lease, Appropriation, Moral Obligation and Comparable Debt of US State and Local Governments published in July 2016. The principal methodology used in the pool ratings was Public Sector Pool Financings published in July 2012. The additional methodologies used in the pool ratings was State Aid Intercept Programs and Financings published in December 2017 and US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of these methodologies.

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