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Fitch U.S. College and University Rating Criteria Revision.

To more clearly communicate credit opinions and facilitate a more forward-looking, predictable approach to ratings, Fitch Ratings has revised its U.S. Public Finance College and University Rating Criteria. These revisions will facilitate a more forward-looking, predictable approach to ratings and better highlight differences among credits in the same category.

Anticipated Rating Impact is Limited

Assuming current credit characteristics are maintained, Fitch estimates that approximately 85% of institutions covered by this criteria will be unaffected. Upgrades are expected to lead downgrades for those affected. Criteria-driven rating changes will be dependent on the finalization of criteria after assessing comments received during the exposure draft period.

Rating Changes More Predictable

The revised criteria more clearly define and communicate Fitch's expectations of the range of performance.

New Through-the-Cycle Tool

Known as FAST, this tool highlights how cycles affect issuers differently, and will be publicly available with a select group of issuer data during the criteria comment period.

Experienced Analytical Judgment

Fitch's ratings will continue to be based on the judgment of a team of experienced analysts, rather than on weighted assessments or model-based outcomes.

Clearer Communication of Credit Opinions

The goal of the revised criteria is to communicate Fitch's credit analysis more clearly, presenting well-defined opinions about both rating conclusions and the underlying fundamentals.

Focused Key Rating Factors

Three focused key rating factors replace the traditional inventory of credit considerations to highlight the role that each plays in determining credit quality.

Tailored Versus Generic Expectations

As part of an integrated analytical approach, expectations are linked to issuer-specific risk factors.

- Rating Criteria User Guide
- Exposure Draft: U.S. College and University Rating Criteria
- Exposure Draft FAQs
- Sample New Issue Report
- FAST for College and University

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