

# **Bond Case Briefs**

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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](#)