

# **Bond Case Briefs**

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## **Superdowngrades: It Could Happen to You.**

In this week's issuer brief, Municipal Market Advisors warns issuers who have not sold bonds in recent years that they could be at risk of a superdowngrade this year if they decide to go to the market. (A superdowngrade is having your current rating lowered by at least three levels.) Thanks to methodology changes credit ratings agencies have imposed since the financial crisis, MMA says that many issuers who are applying for a rating for the first time in many years "can be negatively affected." And in case that hasn't spooked anyone, MMA also warns that "reconsiderations by the rating agencies of pension obligations and lack of robust issuer practices could trigger more of this activity" for local governments. On the bright side, the number of superdowngrades fell by 50 percent last year to 125 total.

Read the brief at:

[http://www.mma-research.com/MMA/NonMembers/MMAIssuer/content/2014/MMA\\_Issuer\\_2014-01-27.pdf](http://www.mma-research.com/MMA/NonMembers/MMAIssuer/content/2014/MMA_Issuer_2014-01-27.pdf)

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