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S&P: U.S. Public Finance Rating Changes Were Still Positive In The Second Quarter, But A Bit Less So.

The balance of rating actions in U.S. public finance continued to be positive in the second quarter of 2014, reflecting our view of gradually improving credit conditions and the ongoing implementation of our local government general obligation (GO) rating criteria. However, the positive tilt has declined somewhat and, at 2.23 to 1, the second quarter upgrade-to-downgrade ratio is lower than any other quarter since the second quarter of 2013. The lower upgrade-to-downgrade ratio is tied to our now having implemented our revised local government rating criteria, released in September 2013, to much of our rated universe of affected local governments. With economic conditions very similar to what they were nine months ago, the upgrade ratio has drifted back in the direction of where it was just before the implementation of our revised criteria. In addition, when we lowered New Jersey's GO rating in April, we also lowered all of the state's appropriation-backed debt.