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S&P: U.S. Public Finance Rating Improvement Cools in the Third Quarter After the Local Government Criteria Implementation Period.

U.S. public finance (USPF) upgrades again outnumbered downgrades during the third quarter, but the upgrade-to-downgrade ratio continues to decline. The slower pace of upgrades reflected, in part, Standard & Poor's Ratings Services completing its implementation of its revised local government general obligation (GO) bond rating criteria during the third quarter. The revised criteria resulted in upward revisions of approximately 41% of our local government ratings. Through the 12-month criteria implementation period, our upgrade ratio reflected this transition to a higher local government ratings distribution.

As the criteria implementation began to wind down, the upgrade-to-downgrade ratio declined in step with the decrease in criteria-related rating actions. The 2.18 to one upgrade to downgrade ratio during the third quarter was lower than in any other period since the second quarter of 2013 — just before the introduction of our revised local government criteria.

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