

# **Bond Case Briefs**

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## **Fitch: Tax-Supported Criteria Revision to be Published by End of 1Q16.**

We are in the process of making modifications to address broad-based, constructive market feedback on our US state and local government rating criteria. We expect the final criteria to be published by end of 1Q16.

### **Overview**

Unprecedented challenges in US Public Finance and a divergence of opinion between major credit rating agencies led Fitch Ratings to conduct an in-depth review of factors that drive resilience—and spur divergent recoveries—in municipal credits. Leveraging qualitative judgment, fundamental data and an experienced analytical team, we are proposing revisions to our approach to state and local government ratings to more clearly articulate our assessment of credit quality to the market.

The criteria revision designates key factors that help differentiate credits in a concentrated, municipal ratings scale and shows why some credits are more resistant to risk than others. The framework also better differentiates between credits, defines triggers that change ratings, improves consistency of rating assessments, and highlights our through-the-cycle rating approach.

The comment period for the proposed changes has closed. We will be assessing all comments provided and will be finalizing the criteria by the end of 1Q16.