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## **Fitch Releases Exposure Draft for Public Sector Revenue-Supported Debt Master Rating Criteria.**

Fitch Ratings-New York-29 March 2017: Fitch Ratings has published an [exposure draft](#) for revisions it is proposing to its criteria for public sector revenue-supported debt.

The four key rating drivers for public sector revenue-supported debt are:

- Revenue defensibility;
- Operating risks;
- Financial profile;
- Asymmetric additive risk factors.

There are approximately 50 ratings that will be covered solely by these criteria, and Fitch anticipates that about 15% of this portfolio will be affected, with a roughly equal mix of upgrades and downgrades. Following the publication of this exposure draft, Fitch expects to place eight ratings on Rating Watch. Rating changes are most likely to result from better identification of issuers whose leverage positions relative to their business profiles suggests a rating higher or lower than the current rating. We do not expect downgrades to exceed one rating category.

Fitch will be accepting market feedback for its proposed revisions until May 9, 2017. Comments can be emailed to [pfcomment@fitchratings.com](mailto:pfcomment@fitchratings.com).

Fitch will apply the criteria described in this exposure draft to new issuers/transactions rating assignments during the exposure draft period. Upon finalization of the 'Public Sector Revenue-Supported Debt Rating Criteria', not-for-profit credits currently covered by the 'U.S. Nonprofit Institutions Rating Criteria' will be covered by the criteria for public sector revenue-supported debt instead. Fitch's 'U.S. Nonprofit Institutions Rating Criteria' will then be retired.

'Exposure Draft: Rating Criteria for Public Sector Revenue Supported Debt' is available at [www.fitchratings.com](http://www.fitchratings.com) or by clicking on the above link.

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