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Fitch: Seventy-Four Percent of Public Finance Issuers Affirmed Under New Criteria.

Fitch Ratings-New York-19 May 2017: Fitch has concluded its review of all credits covered by the new U.S. tax-supported criteria, resulting in 74% affirmations, 18% upgrades, and 8% downgrades, according to a new Fitch Ratings report.

“The high level of affirmation was expected. The criteria revision was focused on communicating Fitch’s opinions more clearly, providing tools that facilitate a more forward-looking approach to ratings, and clearly expressing expectations for financial performance throughout the economic cycle,” said Laura Porter, Managing Director. “Fitch’s ratings continue to be based on the judgement of a team of experienced analysts rather than model-based outcomes.”

The most common reason for upgrades was the more focused consideration of the economic base and financial resilience in the revised criteria.

About half of the downgrades were to school districts, most commonly in California and Ohio. The revised criteria highlight the significance of the state school funding and policy framework to the financial prospects and position of school districts in the state.

None of the eight state ratings changed were the result of criteria alone.

Ninety-five percent of rating changes were one or two notches, less than a full rating category.

For more information, a special report titled “US Tax-Supported Criteria Implementation Results” is available on the Fitch Ratings web site at www.fitchratings.com or by clicking on the link.

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