

Bond Case Briefs

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Fitch U.S. College and University Rating Criteria Finalization.

PRIMARY CRITERIA CHANGES

- Introduction of individual assessments of three new key rating factors: revenue defensibility, operating risk and financial profile
- Explicit alignment of financial profile with business profile in rating assessment
- Introduction of the Fitch Analytical Stress Test (FAST), an issuer specific scenario analysis tool measuring the effect of demand stress on revenue, operating expenses, cash flow and rates
- New metrics to enhance our analysis, including cash flow margin, adjusted debt and price sensitivity

CHANGES BASED ON MARKET FEEDBACK

- Clarification of how FAST is constructed and used, and Fitch's decision to not publish specific out-year scenarios that could be misinterpreted as projections
- Revised nomenclature for our new 'cash flow margin and cash flow margin - adjusted' metrics
- Added clarity on Fitch's approach to FASB pension plans and other post-employment benefit (OPEB) liabilities

[Read the Updated Criteria.](#)