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Moody's Announces Completion of a Periodic Review of Ratings of MBIA Inc.

New York, July 31, 2020 — Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of MBIA Inc. and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

The Ba3 senior unsecured debt rating of MBIA Inc. (MBIA) and Baa2 insurance financial strength (IFS) rating of National Public Finance Guarantee Corporation (National) reflect National's capital resources, the meaningful delinking from MBIA Insurance Corporation (MBIA Corp., IFS rating Caa1) and the amortization of its insured portfolio. Offsetting these strengths is National's run-off status, which results in a weaker alignment of interests between shareholders and policyholders, its significant exposure to below investment grade credits, as well as the firm's transition toward a higher risk investment portfolio, which includes substantial investments in debt and equity securities issued by MBIA.

The Caa1 IFS rating of MBIA Corp. reflects the firm's weak liquidity and capital position following large claims payments in recent years, as well as uncertainties associated with the outcomes of several ongoing loss recovery efforts, which could put either upward or downward pressure on the rating.

The Caa1 IFS rating of MBIA Mexico, S.A. de C.V. (MBIA Mexico) is based on the implicit and explicit support from its parent, MBIA Corp.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Financial Guarantors Methodology published in November 2019. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU

endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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